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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)



WANG ON PROPERTIES LIMITED
宏安地產有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1243)

JOINT ANNOUNCEMENT

MAJOR TRANSACTION

DISCLOSEABLE TRANSACTION

IN RELATION TO
THE ACQUISITION OF A TARGET GROUP
HOLDING AN INVESTMENT PROPERTY IN ADMIRALTY

THE ACQUISITION

The boards of WOG and WOP announce that, on 7 November 2016, the Purchaser, an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of WOG), the Vendor and Mr. Wong Fung Hing (as guarantor) entered into the Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell the Sale Share and assign the benefit of the Shareholder Loan for the Consideration of HK\$512,225,000.

GENERAL

The Acquisition constitutes (i) a discloseable transaction for WOP and is therefore subject to the reporting and announcement requirements under the Listing Rules (as one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%); and (ii) a major transaction for WOG and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but less than 100%).

* *For identification purpose only*

To the best of the knowledge, information and belief of the directors of WOG, after having made all reasonable enquiries, no shareholder of WOG or any of their respective associates have any material interest in the Agreement and the Acquisition, thus no shareholder of WOG is required to abstain from voting if WOG were to convene a special general meeting for the approval of the Agreement and the Acquisition. WOG has obtained a written shareholders' approval from Mr. Tang Ching Ho and his associates, the controlling shareholder group holding approximately 51.76% of the total issued shares of WOG as at the date of this joint announcement, in lieu of holding a special general meeting to approve the Agreement and the Acquisition in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other information, further details of the Agreement and the Acquisition will be despatched to the shareholders of WOG on or before 28 November 2016.

AGREEMENT

Date

7 November 2016

Parties

- (i) Delight Keen, an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of WOG) and is principally engaged in investment holding, as the purchaser;
- (ii) Thing On, a company principally engaged in investment holding, as the vendor; and
- (iii) Mr. Wong Fung Hing, a director of the Target Group, as the guarantor.

To the best knowledge, information and belief of the directors of WOG and WOP, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) and Mr. Wong Fung Hing is a third party independent of and not connected with each of WOG and WOP and its respective connected persons and there was no previous transaction entered into between each of WOG and WOP and the Vendor and Mr. Wong Fung Hing prior to the date of the Agreement.

Assets to be acquired

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

Consideration and payment

The Consideration payable by the Purchaser to the Vendor for the purchase of the Sale Share and the Shareholder Loan shall be HK\$512,225,000, 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 Share. The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit in the amount of HK\$51,222,500 had been paid to the Vendor upon execution of the Agreement; and
- (b) a sum of HK\$461,002,500 (being the balance of the Consideration) shall be paid by the Purchaser to Vendor on Completion

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

Completion

Pursuant to the Agreement, Completion will take place on or before 25 January 2017 or such other date as the Purchaser and the Vendor may agree in writing on which Completion takes place.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. As at the date of this joint announcement, the Vendor is directly interested in the entire issued share capital of the Target.

The Target has a sole subsidiary incorporated in Hong Kong which is principally holding the Property – being the premise located at 30th Floor of United Centre, No. 95 Queensway, Hong Kong. The Property is a commercial property with a saleable floor area of approximately 17,754 square feet. The Property is currently leased to an independent third party not connected with each of WOG and WOP and its respective connected persons for commercial purpose at a monthly rental of HK\$900,000 (inclusive of Government rent, but exclusive of Government rates, air-conditioning and management fees) with a term of three years ending on 30 March 2017.

Set out below is the unaudited financial information of the Target Group for the two financial years ended 31 December 2015 extracted from the unaudited financial statements of the Target Group which are prepared under the generally accepted accounting principles in Hong Kong:

	For the year ended 31 December	
	2015	2014
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Revenue	12.2	11.4
Net profit before taxation	8.6	17.9
Net profit after taxation	7.5	17.9

The unaudited net asset value of the Target as at 30 September 2016 was approximately HK\$22.1 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The WOG Group is principally engaged in management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC and property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, WOP as well as in pharmaceutical business through its non wholly-owned listed subsidiary, Wai Yuen Tong Medicine Holdings Limited. The WOP Group is principally engaged in the businesses

of developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation. 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 the business of investment holding.

The directors of both the WOG and the WOP 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 of both the WOG and the WOP, including their respective independent non-executive directors, consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the each of WOG and its shareholders; and WOP and its shareholders, as a whole.

GENERAL

The Acquisition constitutes (i) a discloseable transaction for WOP and is therefore subject to the reporting and announcement requirements under the Listing Rules (as one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but less than 25%); and (ii) a major transaction for WOG and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but less than 100%).

To the best of the knowledge, information and belief of the directors of WOG, after having made all reasonable enquiries, no shareholder of WOG or any of their respective associates have any material interest in the Agreement and the Acquisition, thus no shareholder of WOG is required to abstain from voting if WOG were to convene a special general meeting for the approval of the Agreement and the Acquisition. WOG has obtained a written shareholders' approval from Mr. Tang Ching Ho and his associates, the controlling shareholder group holding approximately 51.76% of the total issued shares of WOG as at the date of this joint announcement, in lieu of holding a special general meeting to approve the Agreement and the Acquisition in accordance with Rule 14.44 of the Listing Rules.

A circular containing, among other information, further details of the Agreement and the Acquisition will be despatched to the shareholders of WOG on or before 28 November 2016.

DEFINITIONS

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

“Acquisition”	the acquisition of the Target Group by the Purchaser from the Vendor pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 7 November 2016 entered into between the Purchaser, the Vendor and Mr. Wong Fung Hing (as the guarantor) in relation to the Acquisition
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Completion”	completion of the Acquisition under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition, being HK\$512,225,000
“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 joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	being ALL THOSE 1,742 equal undivided 74,554th parts or shares of and in the Land and the Building TOGETHER with the sole and exclusive right and privilege to hold, use, occupy and enjoy ALL THAT OFFICE SPACE on the THIRTIETH FLOOR of “United Centre (統一中心)”, No. 95 Queensway, Hong Kong with a saleable floor area of approximately 17,754 square feet

“Purchaser” or “Delight Keen”	Delight Keen Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP as at the date of this joint announcement, being the purchaser under the Agreement
“Sale Share”	one issued ordinary share of US\$1.00 each of the Target, representing the entire issued share capital of the Target beneficially held by the Vendor
“Shareholder Loan”	the loan owing by the Target to the Vendor at the date of 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 Vendor to the Purchaser on Completion
“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”	Fession Group Limited (暢發集團有限公司), a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Vendor as at the date of this joint announcement
“Target Group”	the Target and its subsidiary
“Vendor” or “Thing On”	Thing On Group Limited, an investment holding company incorporated in the British Virgin Islands, being the vendor under the Agreement
“WOG”	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)
“WOG Group”	WOG and its subsidiaries

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“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), a listed 75%-owned subsidiary of WOG
“WOP Group”	WOP and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency 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

By Order of the board
WANG ON PROPERTIES LIMITED
宏安地產有限公司
Wong Yiu Hung, Gary
Chief Executive Officer

Hong Kong, 7 November 2016

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

As at the date of this joint announcement, the board of WOP comprises Mr. Wong Yiu Hung Gary and Mr. Tang Ho Hong as executive directors; Mr. Chan Chun Hong as non-executive director; and Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr. Dr. Leung Tony Ka Tung as independent non-executive directors.

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