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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

VERY SUBSTANTIAL DISPOSAL

MAJOR TRANSACTION

IN RELATION TO

THE DISPOSAL OF 60% SHAREHOLDINGS

IN A SUBSIDIARY HOLDING THE PROJECT IN MA ON SHAN, NEW TERRITORIES

AND

MAJOR TRANSACTIONS

FOR POSSIBLE PROVISION OF FINANCIAL ASSISTANCE

AND

RESUMPTION OF TRADING

THE DISPOSAL

On 8 September 2017 (after trading hours), the Vendor (an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of WOG)), Sparkle Hope (an indirectly wholly-owned subsidiary of WOP) as the Vendor's guarantor, the Purchaser (an indirectly wholly-owned subsidiary of Angel View) and Angel View as the Purchaser's guarantor, entered into the Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares and assign the benefit of the Shareholder Loan, for the Consideration of HK\$2,441,250,000 (subject to adjustment). Upon Completion, the Target will cease to be a subsidiary of the WOG Group (including the WOP Group) and will become a company owned as to 40% by the WOP Group and 60% by the Purchaser and thus the Shareholder Agreement will be entered into between the parties to govern the management and operation of the Target Group after Completion.

* For identification purpose only

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO THE PURCHASER AND THE TARGET

On 8 September 2017 (after trading hours), the Vendor also entered into the Facility Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to advance the Vendor Loan of the principal amount of HK\$600,000,000 to the Purchaser at an interest rate of 0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate) for a term of 24 months from the date of Completion.

To cater for any funding requirements of the Target Group for the development of the Project in the future, including the expected commitments of the development including but not limited to the construction and other project development costs, interest and selling expenses, financial assistance of not more than HK\$1.5 billion will be required to be provided by the WOP Group to the Target Group (mainly in the form of provision of corporate guarantee for external bank borrowings and/or shareholder loan), but on the basis that it can only be given by the WOP Group severally, in proportion to its shareholding interests in the Target and on normal commercial term after Completion.

GENERAL

Each of the Disposal and the Possible Financial Assistance constitutes (i) a major transaction for WOP and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of (a) the Disposal exceed 25% but are less than 75% and (b) the Possible Financial Assistance exceed 25%); and (ii) a very substantial disposal and a major transaction for WOG and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of (a) the Disposal exceed 75% and (b) the Possible Financial Assistance exceed 25%).

To the best of the knowledge, information and belief of the directors of WOG and WOP, after having made all reasonable enquiries, no shareholders of WOG and WOP or any of their respective associates have any material interest in the Agreement, the Disposal, the Possible Financial Assistance and the transactions contemplated thereunder, thus no shareholder of WOG and WOP is required to abstain from voting at the special general meetings to be convened by WOG and WOP.

Circulars containing, among other things, further details of the Agreement, the Disposal and the Possible Financial Assistance and notices of special general meetings will be despatched to the shareholders of WOG and WOP, respectively on or before 3 October 2017.

RESUMPTION OF TRADING

At the requests of WOG and WOP, respectively, trading in the shares of WOG and WOP on the Stock Exchange were halted with effect from 9:00 a.m. on 11 September 2017 pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of WOG and WOP, respectively, on the Stock Exchange with effect from 9:00 a.m. on 12 September 2017.

THE DISPOSAL

On 8 September 2017 (after trading hours), the Vendor (an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of WOG)), Sparkle Hope (an indirectly wholly-owned subsidiary of WOP) as the Vendor's guarantor, the Purchaser (an indirectly wholly-owned subsidiary of Angel View) and Angel View as the Purchaser's guarantor, entered into the Agreement, pursuant to which the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares and assign the benefit of the Shareholder Loan, for the Consideration of HK\$2,441,250,000 (subject to adjustment). Upon Completion, the Target will cease to be a subsidiary of the WOG Group (including the WOP Group) and will become a company owned as to 40% by the WOP Group and 60% by the Purchaser and thus the Shareholder Agreement will be entered into between the parties to govern the management and operation of the Target Group after Completion.

The principal terms of the Agreement are set out below:

AGREEMENT

Date

8 September 2017 (after trading hours)

Parties

- (i) More Action, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of WOG) and is principally engaged in investment holding, as the Vendor;
- (ii) Sparkle Hope, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of WOP and is principally engaged in investment holding, as the Vendor's guarantor;
- (iii) Clear Idea, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of Angel View and is principally engaged in investment holding, as the Purchaser; and
- (iv) Angel View, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding, as the Purchaser's guarantor.

To the best knowledge, information and belief of the directors of WOG and WOP, having made all reasonable enquiries, each of the Purchaser, Angel View and their respective ultimate beneficial owner(s) is a third party independent of and not connected with each of WOG and WOP and their respective connected persons. There was no previous transaction entered into between each of WOG and WOP and the Purchaser, Angel View and their respective ultimate beneficial owner(s) which shall be aggregated with the Disposal and/or the Possible Financial Assistance.

Assets to be disposed of

Pursuant to the Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares (representing 60% of 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 for the purchase of the Sale Shares and the assignment of the Shareholder Loan shall be HK\$2,441,250,000 (subject to adjustment below), which was determined, after arm's length negotiations between the Purchaser and the Vendor with reference to, *inter alia*, the market value of the Property, the estimated gross floor area of approximately 387,500 square feet to be developed under the Project, the amount required for development of the Project, the development potential of the Project, the existing status of the Property and unpaid commitments of the Project, and calculated as follows:

$$60\% \times (\text{HK}\$10,500 \text{ per square foot} \times 387,500 \text{ square feet}) = \text{HK}\$2,441,250,000$$

The Consideration which had been/shall be paid by the Purchaser to the Vendor in the following manner:

- (a) a sum of HK\$244,125,000 had been paid and applied as deposit (the “**Deposit**”) as at the date of the Agreement;
- (b) a sum of HK\$244,125,000 shall be paid on or before 28 September 2017 towards part-payment of the Consideration (the “**Partial Consideration**”); and
- (c) the balance of the Consideration (after deducting the Vendor Loan) shall be paid on the date of Completion.

The Consideration shall be adjusted by adding thereto the amount equivalent to 60% of the Net Current Asset Value (if it is a positive amount) or subtracting therefrom the absolute value of the amount of equivalent to 60% of such Net Current Asset Value (if it is a negative amount). According to the previous experience of the WOG Group (including the WOP Group) for entering into similar transactions, such kind of adjustment will not be substantial and usually within a range of 5% to 10%.

Conditions

Completion is conditional upon the satisfaction (or waiver, if applicable) of the following conditions:

- (i) the Partial Consideration shall be paid on or before 28 September 2017;
- (ii) the obtaining of the approvals from the shareholders of each of WOG and WOP at the special general meetings for the Disposal, the Agreement and the Possible Financial Assistance;
- (iii) the obtaining of new syndicated loans of not less than HK\$1.17 billion by the Project Company in replacement of the existing syndicated loans owed by the Project Company and the release of existing encumbrances over assets of the Project Company arising from such existing loans upon Completion; and
- (iv) the fundamental warranties given by the Vendor remaining true and accurate in all respects and not misleading on and as at the date of Completion.

The above condition (i) shall be fulfilled on or before 28 September 2017, failing which the Purchaser shall be deemed to be in breach of the Agreement and the Vendor shall be entitled to forfeit the Deposit in its entirety in addition to any other remedies and/or compensation available to the Vendor.

If any of the above conditions (ii), (iii) or (iv) is not fulfilled or waived by the Purchaser (as the case may be, save for conditions (ii) and (iii) above) at or before 1:00 p.m. on 31 October 2017, such long stop date shall be automatically extended for another 30 days. If they are still not fulfilled or waived by the Purchaser (as the case may be, save for conditions (ii) and (iii) above) on or before such extended long stop date, either parties can serve a termination notice within seven Business Days after the extended long stop date on the other parties.

If the Agreement is terminated due to:

- (i) the non-fulfilment of condition (iii) above and in the absence of any default of the Vendor and the Purchaser, the whole of the Deposit together with the Partial Consideration having been paid by the Purchaser shall forthwith be returned to the Purchaser without any interest within three Business Days of the termination of the Agreement after which no party to the Agreement shall have any claims or obligations towards the other (save for any antecedent breaches of the Agreement);
- (ii) (A) the non-fulfilment of condition (iii) above as the Purchaser has failed to use its best endeavours; or (B) the failure of the Purchaser to comply fully with any of its obligations for Completion, the Purchaser shall be deemed to be in breach of the Agreement and the Vendor shall be entitled to forfeit the Deposit in its entirety in addition to any other remedies and/or compensation that may be available to the Vendor; and

- (iii) (A) the non-fulfilment of condition (ii); and/or (B) the non-fulfilment of condition (iii) and/or (iv) above as the Vendor has failed to use its best endeavours; or (C) the failure of the Vendor to comply fully with any of its obligations for Completion, the Vendor shall be deemed to be in breach of the Agreement and in addition to any other remedies and/or compensation that may be available to the Purchaser, the whole of the Deposit together with the Partial Consideration (if having been paid by the Purchaser) shall forthwith be returned to the Purchaser without any interest within three Business Days of the termination of the Agreement.

Completion

Completion shall take place on the third Business Day after conditions (i) and (ii) above have been fulfilled, or such other date as may be agreed by the parties thereto.

Upon Completion, the Target will cease to be a subsidiary of the WOG Group (including the WOP Group) and will become a company owned as to 40% by the WOP Group and 60% by the Purchaser.

Other terms

Repayment of the Construction Payments

The parties further agreed to use their reasonable commercial endeavours to procure the Project Company to drawdown not less than HK\$250,000,000 from the new syndicated loans to be obtained by the Project Company, so that the Construction Payments can be repaid. If the amount of the drawdown on Completion is greater than the amounts of those existing syndicated loans and interests accrued thereon, the same shall be applied to repay the shareholder loan of the Target on a pro rata basis. For the avoidance of doubt, if the Project Company fails to drawdown the relevant loan or such drawdown is not allowed under the terms of the new syndicated loan obtained by the Project Company, the timing of repayment shall be correspondingly postponed until it is permitted by the terms of the new syndicated loan obtained by the Project Company or when the Target Group has surplus.

Partial refund of the Consideration

In view of the tax implications on the Purchaser due to the fact that the Consideration is higher than the carrying value of the Project and such excess may not be tax deductible, pursuant to the Agreement, the Vendor undertakes to downward adjust the Consideration by refunding a sum of HK\$164,958,750 upon the second anniversary date of Completion to the Purchaser (i) by cash upon receipt of the written request from the Purchaser, or (ii) (if there is outstanding Vendor Loan) by off-setting the outstanding amount of the Vendor Loan to be repaid by the Purchaser at its maturity. If the Vendor Loan is not duly settled by the Purchaser upon maturity, the obligation of the Vendor to pay the said refund shall be postponed until the date the Vendor Loan is fully settled by the Purchaser.

INFORMATION ON THE TARGET GROUP

The Target is an investment holding company incorporated in the British Virgin Islands and its sole business is the holding of the entire issued share capital of the Project Company, which is the registered owner of the Property – being the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No.601), which has been acquired by the Target on 19 May 2017. The site will be developed as a residential project with site area of approximately 253,000 square feet and estimated gross floor area of approximately 387,500 square feet.

Set out below is the unaudited financial information of the Target Group for the two financial years ended 31 December 2016 as extracted from the unaudited management accounts of the Target Group which are prepared under the generally accepted accounting principles in Hong Kong:

	For the year ended 31 December	
	2016	2015
	HK\$ million	HK\$ million
	(unaudited)	(unaudited)
Revenue	–	–
Net loss before taxation	(0.2)	(0.1)
Net loss after taxation	(0.2)	(0.1)

The unaudited net liability value of the Target Group as at 31 July 2017 was approximately HK\$4.1 million.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

Based on, *inter alia*, the Consideration, the Shareholder Loan, the existing syndicated loan, the unaudited net liabilities as at 31 July 2017 and the related expenses for the Disposal, each of the WOG Group and the WOP Group currently expects to record a gain arising from the Disposal of approximately HK\$796.2 million upon Completion subject to review by the auditors of each of WOG and WOP. **Shareholders of WOG and WOP should note that the above figures are for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Target Group on the date of Completion and the review by auditors of WOG and WOP.**

Upon Completion, the Target Group will cease to be subsidiaries of each of the WOG Group and the WOP Group. The Disposal upon Completion will therefore result in the deconsolidation of the assets and liabilities of the Target Group from each of the WOG Group and the WOP Group's consolidated accounts.

USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds (after repayment of the principal of the existing syndicated loans, together with its interest incurred, the partial refund of Consideration and deducting other expenses in relation thereto) of approximately HK\$1,534.9 million arising from the Disposal will be used for general working capital of the WOP Group.

SHAREHOLDER AGREEMENT

The parties will enter into the Shareholder Agreement to govern their relationship as shareholders of the Target and the management and operation of the Target Group after Completion with details as follows:

Date

Date of Completion

Parties

- (i) More Action (the Vendor);
- (ii) Sparkle Hope, as More Action's guarantor;
- (iii) Clear Idea (the Purchaser);
- (iv) Angel View, as Clear Idea's guarantor; and
- (v) the Target.

Board and Management

The board of directors of Target shall consist of five directors, three of which shall be appointed by the Purchaser and two of which shall be appointed by the Vendor. The chairman of the board of directors of the Target shall be nominated by the Purchaser. The quorum for the board meeting shall be four directors.

Capital Commitment

Pursuant to the Shareholder Agreement, all funding requirements of the Target Group shall be (i) first met by existing capital of the Target Group; (ii) by raising funds by way of external bank borrowings; and (iii) if the external bank borrowings are not able to cover all funding requirements, such funding requirements shall be met by unsecured interest-bearing shareholder's loans (at an interest rate of 9.5% per annum) advanced by the shareholders of the Target in proportion to their respective shareholdings in the Target.

Voting

Except for certain matters of the Target Group which are subject to the unanimous approval of all the shareholders, all resolutions of the directors and/or shareholders (as the case may be) of the Target shall be passed by a simple majority vote.

Restriction on transfer

None of the shareholder of the Target shall sell or transfer or dispose of their direct or indirect interests in the shares and the shareholder loan in the Target, other than to their respective affiliates. For the purpose of such restriction, during the term of the cooperation, the Vendor shall be directly or indirectly wholly owned by WOP and the Purchaser shall be beneficially owned as to not less than 70%, and ultimately controlled by, Angel View's parent company.

Subject to the consent of the lenders of the Target Group, the shareholder of the Purchaser may indirectly dispose of their interests in the Target Group by transferring not more than 30% of its shareholding in the Purchaser within six months from the date of the Shareholder Agreement. Further, subject to lenders' consent and without prejudice to the main commercial terms of new loans to be obtained by the Target Group at Completion, Angel View's parent company shall be entitled to transfer (directly or indirectly) not more than 30% of its shareholding in the entity holding the Purchaser for the purpose of the employee incentive schemes of Angel View's parent company.

Dividend policy and Shareholder Loan repayment

In the event that the pre-sale and sale revenues of the Project, in accordance with the Target's monthly financial report, have covered the Target's financing costs, unpaid expenses incurred in the Project approved by the Purchaser and the Vendor, expected taxes and the operating expenses of the Target Group for the following three months, the Target shall pay to the shareholders dividend in proportion to their shareholdings or to settle existing shareholder loan(s) of the Target subject to provisions of relevant external borrowing(s) or loan agreement(s) and government policies (including but not limited to land transfer regulations and relevant pre-sale regulations).

Deadlock

A deadlock shall occur where a matter ("**Deadlock Matter(s)**") cannot be resolved at the board meeting or shareholders' meeting within 14 Business Days of the date on which the resolution was first proposed or adopted for the meeting, and that such resolution is fundamental to the operation of the Target Group and the failure to pass such resolution will have a material adverse effect on the business of the Group.

In the event that any deadlock occurs the shareholders shall refer the Deadlock Matter to the chairman of the shareholders or the representatives appointed by the shareholders in order to obtain a consensus to resolve the dispute. If there is no consensus reached within 30 Business Days from the date of referral to the Chairman or representative, the Deadlock Matter(s) shall be referred to and finally settled by arbitration in which each of the Purchaser and the Vendor shall each appoint one arbitrator and shall jointly appoint the third arbitrator.

Event of default

A party (the “**Non-defaulting Party**”) may give notice to the other party upon the occurrence of certain events as set out in the Shareholder Agreement (including, without limitation, a material breach of any of its obligations under the Shareholder Agreement by the other party or the entering into liquidation by the other party (in each case, the “**Defaulting Party**”). After giving such notice, the Defaulting Party shall remedy such breach or default as soon as possible within three months after the service of such default notice, failing which the Non-defaulting Party is entitled to require the Defaulting Party to sell to the Non-defaulting Party all of the shares and shareholder loan owned by the Defaulting Party at a discounted value of 70% of the value of the Target as agreed by the parties or determined by auditors based on the certificate of an independent valuation surveyor mutually appointed by the shareholders as an expert (and not an arbitrator) in accordance with the Shareholder Agreement.

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO THE PURCHASER AND THE TARGET

Vendor Loan

On 8 September 2017 (after trading hours), the Vendor also entered into the Facility Agreement with the Purchaser and Angel View as the Purchaser’s guarantor pursuant to which the Vendor has conditionally agreed to advance the Vendor Loan of the principal amount of HK\$600,000,000 to the Purchaser at an interest rate of 0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate) for a term of 24 months from the date of Completion for the sole purpose of the Disposal.

Date	8 September 2017 (after trading hours)
Lender	More Action
Borrower	Clear Idea
Loan amount	HK\$600,000,000
Interest rate	0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate)
Term	24 months from the date of Completion
Repayment	Interests shall be accrued and be paid by Clear Idea to More Action on each anniversary of the date of the Facility Agreement and the principal shall be repaid in one lump sum, together with all accrued interests and all other monies payable thereon in full, on the day falling on the expiry of 24 months from the date of Completion.

Securities

The Vendor Loan is secured by (i) a first-ranking share charge over the 60% shareholdings in the Target beneficially owned by Clear Idea (in the event that such shares are not securities for the new loans to be obtained by the Target Group at Completion) or a second-ranking share charge over the 60% shareholdings in the Target beneficially owned by Clear Idea (in the event that such shares are securities for the new loans to be obtained by the Target Group at Completion); and (ii) a corporate guarantee from Angel View.

Condition

The obtaining of the approvals from the shareholders of each of WOG and WOP at their respective special general meetings for the Facility Agreement.

Other term

The Purchaser shall be wholly beneficially owned and ultimately controlled by Angel View's parent company as at the date of drawdown under the Facility Agreement and thereafter shall remain to be beneficially owned as to not less than 70%, and ultimately controlled by, Angel View's parent company during the term of the Vendor Loan.

Possible Financial Assistance to the Target Group

To cater for any funding requirements of the Target Group for the development of the Project in the future, including the expected commitments of the development including but not limited to construction and other project development costs, interest and selling expenses, financial assistance of not more than HK\$1.5 billion will be required to be provided by the WOP Group to the Target Group (mainly in the form of provision of corporate guarantee for external bank borrowings and/or shareholder loan), but on the basis that it can only be given by the WOP Group severally, in proportion to its shareholding interests in the Target and on normal commercial term after Completion. It is expected that the amount of the shareholder loan to be provided by the WOP Group will be not more approximately HK\$450 million. Such financial assistance is subject to the approvals from the shareholders of each of WOG and WOP at their respective special general meetings.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE POSSIBLE FINANCIAL ASSISTANCE

The WOG Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through WOP, a listed 75%-owned subsidiary of WOG; and (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited, a listed 56.54%-owned subsidiary of WOG. 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 Disposal will result in the Vendor and the Purchaser sharing the development cost of the Project, thereby sharing both the risks and financing of the Project. The WOP Group's cash flow position will benefit from a lower capital requirement to develop the Project. Furthermore, the WOP Group will also benefit from the Consideration received from the Purchaser, allowing the WOP Group to recover the acquisition expenses and obtain a one-off respectable financial reward within a short period of time.

The terms of the Facility Agreement were negotiated on an arm's length basis between the Vendor and the Purchaser. Taking into account that the Vendor Loan is solely for the purpose of the Disposal and is interest-bearing and secured, the satisfactory financial background of the Purchaser and its ultimate controlling shareholder and the corporate guarantee provided by Angel View, each of the directors of WOP and WOG consider that the terms of the Facility Agreement are fair and reasonable. Given that the provision of financial assistance to the Target Group would also be provided pro-rata to the WOP Group's shareholding in the Target after Completion and only on normal commercial terms, 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 each of the Disposal, the Agreement and the provision of the Possible Financial Assistance is in the interests of each of WOG, WOP and their respective shareholders.

GENERAL

Each of the Disposal and the Possible Financial Assistance constitutes (i) a major transaction for WOP and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of (a) the Disposal exceed 25% but are less than 75% and (b) the Possible Financial Assistance exceed 25%); and (ii) a very substantial disposal and a major transaction for WOG and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of (a) the Disposal exceed 75% and (b) the Possible Financial Assistance exceed 25%).

To the best of the knowledge, information and belief of the directors of WOG and WOP, after having made all reasonable enquiries, no shareholders of WOG and WOP or any of their respective associates have any material interest in the Agreement, the Disposal, the Possible Financial Assistance and the transactions contemplated thereunder, thus no shareholder of WOG and WOP is required to abstain from voting at the special general meetings to be convened by WOG and WOP.

Circulars containing, among other things, further details of the Agreement, the Disposal and the Possible Financial Assistance and notices of special general meetings will be despatched to the shareholders of WOG and WOP, respectively on or before 3 October 2017.

RESUMPTION OF TRADING

At the requests of WOG and WOP, respectively, trading in the shares of WOG and WOP on the Stock Exchange were halted with effect from 9:00 a.m. on 11 September 2017 pending the release of this joint announcement. Applications have been made to the Stock Exchange for the resumption of trading in the shares of WOG and WOP, respectively, on the Stock Exchange with effect from 9:00 a.m. on 12 September 2017.

DEFINITIONS

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

“Agreement”	the conditional sale and purchase agreement dated 8 September 2017 entered into between the Vendor, Sparkle Hope, the Purchaser and Angel View in relation to the Disposal
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Angel View”	Angel View International Limited (恒宙國際有限公司), a company incorporated in the British Virgin Islands with limited liability, being the Purchaser’s guarantor under the Agreement
“Business Day(s)”	a day (except Saturdays, Sundays, public holidays and when Typhoon Signal No. 8 or above or Black Rainstorm Warning Signal is hoisted) on which the Bank is open for business in Hong Kong
“Completion”	completion of the Disposal under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Disposal, being HK\$2,441,250,000 (subject to adjustment)
“Construction Payments”	the amounts of HK\$250,000,000 to be advanced prior to the date of Completion by the Vendor to the Target which is unsecured and interest-free for the repayment of the existing syndicated loans withdrawn for the purpose of payment of initial construction fees for the Project. Such amounts will not form part of the Shareholder Loan to be assigned to the Purchaser
“Disposal”	the disposal of the Sale Shares and the assignment of the Shareholder Loan by the Vendor to the Purchaser pursuant to the Agreement

“Facility Agreement”	the conditional facility agreement dated 8 September 2017 entered into between the Vendor, the Purchaser and Angel View as the Purchaser’s guarantor in relation to the Vendor Loan
“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
“Net Current Asset Value”	the total current assets (excluding, for the avoidance of doubt, the value of the Property) minus the total current liabilities of the Target Group (excluding the Shareholder Loan, the existing syndicated loans, the Construction Payments and deferred tax liabilities)
“Possible Financial Assistance”	any financial assistance, up to a total amount of HK\$1.5 billion, that might be provided by the WOP Group to the Target Group for the purposes of the Project, on terms described in this joint announcement together with the Vendor Loan
“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
“Project”	the residential development project situated on the Property
“Project Company”	Loyal Pioneer Limited (鋒尚有限公司), a company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of the Target, which directly holds the Property and the rights to carry out the Project
“Property”	being the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No.601) with site area of about 253,000 square feet and estimated gross floor area of about 387,500 square feet
“Purchaser” or “Clear Idea”	Clear Idea International Limited (顯意國際有限公司), an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of Angel View, being the purchaser under the Agreement

“Sale Shares”	six issued ordinary shares of the Target, representing 60% of the entire issued share capital of the Target legally and beneficially held by the Vendor prior to Completion
“Shareholder Agreement”	the shareholders’ agreement to be entered into between the Vendor, Sparkle Hope, the Purchaser, Angel View and the Target upon Completion to govern the management and operation of the Target Group
“Shareholder Loan”	60% of the loan owing by the Target to the Vendor (excluding the Construction Payments) at the date of Completion, being an interest free shareholder loan and repayable on demand, which, subject to and on the terms and conditions of the Agreement, shall be assigned by the Vendor to the Purchaser on Completion
“Sparkle Hope”	Sparkle Hope Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP, being the Vendor’s guarantor under the Agreement
“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”	Ease Mind Investments Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly owned by the Vendor prior to Completion
“Target Group”	the Target and the Project Company
“Vendor” or “More Action”	More Action Investments Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP, being the vendor under the Agreement
“Vendor Loan”	the secured term loan facility in the principal amount of HK\$600,000,000 to be advanced by the Vendor to the Purchaser for a term of 24 months from the date of Completion

“WOG”	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)
“WOG Group”	WOG and its subsidiaries
“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
“%”	per cent.

By Order of the board of
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

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

Hong Kong, 11 September 2017

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 executive directors of WOP are Mr. Wong Yiu Hung Gary and Mr. Tang Ho Hong, the non-executive director of WOP is Mr. Chan Chun Hong, and the independent non-executive directors of WOP are Mr. Li Wing Sum Steven, Mr. Sung Tze Wah and Sr Dr. Leung Tony Ka Tung.

* For identification purpose only