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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 23 September 2020, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement to grant the Loan to the Customer of a principal amount of HK\$58.0 million for a term of one (1) year with an average interest rate of 11.56% per annum.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement 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 AGREEMENT

Date of the Loan Agreement	:	23 September 2020
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 treasury management under the Money Lenders Ordinance.
Borrower	:	The Customer is a company incorporated under the laws of Hong Kong and is principally engaged in investment holding. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customer (and its ultimate beneficial owner) and the Guarantor are Independent Third Parties and not connected with the Group. Save as disclosed above, there is no prior transaction entered into between the Group and the Customer, the Guarantor and/or their respective ultimate beneficial owner which is required to be aggregated with the Loan Agreement pursuant to the Listing Rules.
Loan amount	:	HK\$58.0 million
Interest rate	:	An average interest rate of 11.56% per annum payable on a monthly basis.
Term	:	One (1) year commencing from the Drawdown Date of the Loan.
Repayment	:	The first and the following 10 instalments comprise interest only and the last instalment comprises both principal and outstanding interest shall, in any event, be repaid in one (1) year from the Drawdown Date.
Securities	:	<ul style="list-style-type: none">(i) A deed of guarantee executed by the Guarantor, the sole director and the ultimate beneficial owner of the Customer; and(ii) A first legal charge in respect of two office premises and two car parking spaces situated in Kwun Tong, Kowloon with an aggregate current market value of approximately HK\$77.9 million.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The advance in respect of the Loan 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 LOAN

The Group will finance the Loan with its internal resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

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 its 75%-owned listed non wholly-owned subsidiary, Wang On Properties Limited 宏安地產有限公司 (Stock Code: 1243); (iii) manufacturing and/or retailing of pharmaceutical and health food products through its 58.08%-owned listed non wholly-owned subsidiary, WYT; and (iv) management and sales of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited 中國農產品交易有限公司 (Stock Code: 0149), 53.37%-owned listed non wholly-owned subsidiary of WYT. The Lender is an indirect wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability which is principally engaged in treasury management under the Money Lenders Ordinance.

Taking into account the principal business activities of the Group, the provision of the Loan to the Customer is in the ordinary and usual course of business of the Group. The terms of the Loan Agreement 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 Agreement 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 Loan is secured and that a stable revenue and cash inflow from the interest income are expected, the Directors consider that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and the entering into the Loan Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement 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”	subject to the satisfactory execution of the Loan Agreement and the related security documents, the Loan may be made, advanced or drawn down in one lump sum within three (3) months from the date of the Loan 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 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”	Silver Base Properties Limited, being the borrower and a company incorporated in Hong Kong with limited liability, an Independent Third Party
“Director(s)”	the directors of the Company
“Drawdown Date”	the date on which the Loan is drawn down
“Group”	the Company together with its subsidiaries
“Guarantor”	Ms. Chow Elisabeth, an Independent Third Party individual, who is the sole director and the ultimate beneficial owner of the Customer
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 indirect 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”	a secured loan in the principal amount of HK\$58.0 million granted by the Lender to the Customer
“Loan Agreement”	the loan agreement dated 23 September 2020 entered into between the Lender and the Customer pursuant to which the Lender agreed to advance the Loan to the Customer
“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)

“WYT”

Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main board of the Stock Exchange (Stock Code: 897)

“%”

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, 23 September 2020

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 Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.

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