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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**

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On 30 September 2020, the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement to grant the Loan to the Customers of a principal amount of HK\$54.5 million for a term of one (1) year with an average interest rate of approximately 17.59% per annum, representing a monthly interest of approximately HK\$790,000.

**IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company under the Listing Rules on the basis that (i) one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceeds 5% and is below 25%; and (ii) the transaction contemplated under the Loan Agreement, when aggregated with the Previous Loan Agreement, would not result in a higher transaction classification under the Listing Rules. Therefore, the transaction contemplated under the Loan Agreement, when aggregated with the Previous Loan Agreement, is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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\* For identification purpose only

## THE LOAN AGREEMENT

- Date of the Loan Agreement** : 30 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.
- Co-borrowers** : The Customers comprising a company incorporated under the laws of Hong Kong and is principally engaged in investment holding and three individuals. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customers, the Obligor (and their ultimate beneficial owner) are Independent Third Parties and not connected with the Group. Apart from entering into the Previous Loan Agreement, there is no prior transaction entered into between the Group and any of the Customers, the Obligor 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\$54.5 million
- Interest rate** : An average interest rate of approximately 17.59% per annum payable on a monthly basis.
- Term** : One (1) year commencing from the Drawdown Date.
- 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** :
- (i) A first legal charge executed by Union East in favour of the Lender in respect of a house situated in Shatin, New Territories with a current market value of approximately HK\$48.0 million;
  - (ii) a share charge in relation to entire issued share capital of Union East executed by Ms. Chung in favour of the Lender;
  - (iii) a deed of assignment of account receivables made among the Obligor, Union East and the Lender; and
  - (iv) a fixed and floating charge executed by Union East in favour of the Lender.

## **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 Customers, 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 Customers 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 Customers 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 Customers. 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 Customers, 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 under the Listing Rules on the basis that (i) one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan

Agreement exceeds 5% and is below 25%; and (ii) the transaction contemplated under the Loan Agreement, when aggregated with the Previous Loan Agreement, would not result in a higher transaction classification under the Listing Rules. Therefore, the transaction contemplated under the Loan Agreement, when aggregated with the Previous Loan Agreement, is subject to the reporting and announcement requirements under Chapter 14 of 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
“Customers”	Union East, Mr. Ip Chun Heng, Wilson (“ <b>Mr. Wilson Ip</b> ”), Ms. Chung Pui Wan (“ <b>Ms. Chung</b> ”) and Mr. Ip Wai Tung (“ <b>Mr. WT Ip</b> ”), being the co-borrowers and all are Independent Third Parties
“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
“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 a principal amount of HK\$54.5 million granted by the Lender to the Customers under the Loan Agreement
“Loan Agreement”	the loan agreement dated 30 September 2020 entered into among the Lender and the Customers pursuant to which the Lender agreed to advance the Loan to the Customers
“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
“Obligor”	Bonjour Cosmetic Wholesale Center Limited, the obligor under the deed of assignment of account receivables and a company incorporated in Hong Kong with limited liability, and an Independent Third Party
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Previous Loan Agreement”	the loan agreement dated 7 May 2020 entered into between the Lender and Mr. Wilson Ip pursuant to which the Lender agreed to grant to Mr. Wilson Ip a secured loan in an aggregate principal amount of approximately HK\$30.0 million for a term of six (6) months at an average interest rate of approximately 24.0% per annum which will be due in early November 2020 with an outstanding indebtedness of approximately HK\$25.0 million which will be released and repaid by applying part of the Loan

“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)
“Union East”	Union East Technologies Limited, a company incorporated in Hong Kong with limited liability and wholly owned by Ms. Chung and an Independent Third Party, in which Ms. Chung and Mr. WT Ip are directors
“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 and 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, 30 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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