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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
IN RELATION TO DISPOSAL OF PROPERTY**

THE DISPOSAL

On 10 April 2025, the Vendor, an indirect wholly-owned subsidiary of WYT (approximately 72.02%-owned listed subsidiary of the Company), entered into the Provisional Agreement with the Purchaser and the Property Agent, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Property at the Consideration of HK\$19.5 million.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is below 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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PRINCIPAL TERMS OF THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are summarized below:

Date: 10 April 2025

Parties: (i) Good Excellent Limited 港威龍有限公司, an indirect wholly-owned subsidiary of WYT as the Vendor;

(ii) Blessed Fortune Limited 中財有限公司, as the Purchaser; and

(iii) Centaline Property Agency Limited, as the Property Agent

Property: Ground Floor with the Cockloft, 60A Yen Chow Street, Kowloon, Hong Kong

Consideration: HK\$19.5 million

The Consideration was arrived after arm's length negotiations between the Vendor and the Purchaser, having taken into account, among others, the current market prices of comparable properties, prevailing market conditions and the carrying value of the Property in respect of the Group of approximately HK\$19.3 million as at 31 March 2025.

Payment terms: The Consideration has been and will be paid by the Purchaser to the Vendor in the following manners:

- (i) an initial deposit of HK\$975,000 has been paid to the Vendor upon signing of the Provisional Agreement;
- (ii) a further deposit of HK\$975,000 shall be payable to the Vendor upon signing of the Formal Agreement; and
- (iii) the balance of the Consideration shall be payable to the Vendor upon the Completion

All deposits shall be made to the Vendor's solicitors, as stakeholders, unless it is proved the balance of the Consideration being sufficient to discharge the existing legal charge or mortgage in respect of the Property.

- Formal Agreement: The Vendor and the Purchaser will enter into a formal agreement on or before 24 April 2025 or such date mutually agreed by the Vendor and the Purchaser in writing.
- Costs and expenses: Each of the Vendor and Purchaser shall bear its own costs (including the legal costs) to be incurred in connection with the Disposal and the ad valorem stamp duty in relation to the Disposal shall be borne by the Purchaser solely.
- Completion: Completion will take place on or before 5 June 2025 or such date mutually agreed by the Vendor and Purchaser in writing.
- Commission: The Property Agent will be entitled to a commission of HK\$292,500 from the Vendor which shall be paid not later than the Completion Date.
- Additional term: The Property will be subject to a new tenancy agreement to be entered into between the Purchaser, as landlord, and the Tenant, upon the Completion, for operation of a shop under the brand of “Wai Yuen Tong” for a term of three years commencing on the Completion Date at the monthly rent of HK\$100,000 (exclusive of government rent, rates, management fees and other utilities outgoing charges) (the “**New Tenancy Agreement**”).

INFORMATION ON THE PROPERTY

The Property comprises a shop unit situated on the Ground Floor with the Cockloft, 60A Yen Chow Street, Kowloon, Hong Kong with a total saleable area of approximately 596 and 393 square feet for the shop and the cockloft respectively. As at the date of this announcement, the Property is subject to an existing tenancy agreement and has been rented out to a tenant for a term of three years commencing on 4 October 2024 for operation of a shop under the brand of “Wai Yuen Tong” and the term of the tenancy agreement will be early terminated before the Completion Date.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Subject to review and confirmation by the auditors of the Group, it is expected that upon Completion, the Group will not have material gain/loss which is calculated by reference to the net proceeds (the Consideration of HK\$19.5 million after deducting the relevant expenses and charges of approximately HK\$0.3 million) from the Disposal of approximately HK\$19.2 million and the carrying value of the Property in respect of the Group of approximately HK\$19.3 million as at 31 March 2025.

It is intended that the net proceeds arising from the Disposal of approximately HK\$19.2 million (after deducting the relevant expenses and charges of approximately HK\$0.3 million) will be fully used for repayment of the mortgage loan with respect to the Property.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was acquired by the Vendor in 2009 and has been used as “Wai Yuen Tong” shop since then. Taking into account the prevailing retail property market conditions and the quality of the Property (including its location, the age of the Property, surrounding facilities and redevelopment potential), the Board considers that the Disposal provides a good opportunity for the Group to realise the value of the Property at an appropriate time and to reduce the indebtedness by using the proceeds from the Disposal.

Having taking into account of the above reasons and benefits, the Directors (including the independent non-executive Directors) are of the view that the terms of the Provisional Agreement, which have been determined on an arm’s length basis, are fair and reasonable and the Disposal is on normal commercial terms and is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE GROUP AND THE VENDOR

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, property development and trading, and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.00%-owned listed subsidiary of the Company; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, an approximately 72.02%-owned listed subsidiary of the Company; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited (Stock Code: 149), an approximately 57.09%-owned listed subsidiary of the Company. The Company is ultimately owned by Mr. Tang Ching Ho (the chairman, an executive director and a controlling shareholder of the Company) together with his associates as to approximately 42.80%.

The Vendor, an indirect wholly-owned subsidiary of WYT, is a company incorporated in Hong Kong with limited liability and its principal business is holding and leasing of the Property.

INFORMATION ON THE PURCHASER AND THE PROPERTY AGENT

The Purchaser is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is ultimately owned as to 100% by Mr. Su Jinhua.

Based on information available to the Vendor, the Property Agent is a licensed property agent in Hong Kong.

As at the date of this announcement, to the best of the knowledge, information and belief of the Board having made all reasonable enquiries, the Purchaser, the Property Agent and their ultimate beneficial owners are Independent Third Parties.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 5% but is below 25%, the Disposal constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements 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:

“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)
“Completion”	the completion of the Disposal
“Completion Date”	the date of Completion, which shall be on or before 5 June 2025 or such date mutually agreed by the Vendor and the Purchaser in writing
“connected person”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal, being HK\$19.5 million
“Director(s)”	the directors of the Company
“Disposal”	the disposal of the Property pursuant to the Provisional Agreement
“Formal Agreement”	the formal sale and purchase agreement to be entered into between the Vendor and the Purchaser in relation to the Disposal on or before 24 April 2025 or such date mutually agreed by the Vendor and the Purchaser in writing
“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
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, does not include Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Property”	Ground Floor with the Cockloft, 60A Yen Chow Street, Kowloon, Hong Kong
“Property Agent”	Centaline Property Agency Limited, the property agent in respect of the Disposal
“Provisional Agreement”	a preliminary sale and purchase agreement dated 10 April 2025 entered into between the Vendor, the Purchaser and the Property Agent in relation to the Disposal
“Purchaser”	Blessed Fortune Limited 中財有限公司, a company incorporated in Hong Kong with limited liability
“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)
“Tenant”	an indirect subsidiary of WYT
“Vendor”	Good Excellent Limited 港威龍有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of WYT

“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), an approximately 72.02%-owned listed subsidiary of the Company

“%”

per cent

By order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman and Executive Director

Hong Kong, 10 April 2025

As at the date of this announcement, the Board comprises Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie as executive Directors; and Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung as independent non-executive Directors.

* *For identification purpose only*