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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)

**MAJOR TRANSACTION
ACQUISITION OF SHOPPING MALL**

ACQUISITION

The Board announces that on 20 November 2012, the Group, through the Purchaser (a wholly-owned subsidiary of the Company), was informed in writing that the Tender it submitted to purchase the Property at the Consideration of HK\$508 million had been accepted by the Vendor.

The Property principally comprises the “Riviera Plaza” in Tsuen Wan, Hong Kong, which is currently leased to various third parties independent of and not connected with the Company and its connected persons for commercial purpose. The Property is sold with existing lettings and tenancies of terms ranging from one month to three years.

GENERAL

As the applicable percentage ratio is greater than 25% but less than 100% for the purpose of Rule 14.07 of the Listing Rules, the Acquisition constitutes a major transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules and is therefore subject to reporting, announcement, circular and shareholders’ approval requirements under the Listing Rules.

The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Acquisition. As no Shareholder has a material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Acquisition and a notice of the SGM, will be despatched to the Shareholders on or before 11 December 2012.

* *For identification purpose only*

ACQUISITION

Acceptance Date

20 November 2012

Parties

Vendor: Tsuen Wan Properties Limited and Riviera Entertainment Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Vendor is principally engaged in property holding; and (ii) the Vendor and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s).

Purchaser: World Way Investments Limited, a property investment company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement.

The major terms of the Tender are set out as follows:

Information relating to the Property

The Property is a 9-storey shopping mall with two basements known as "Riviera Plaza" and is located in Tsuen Wan, Hong Kong. The existing gross floor area and lettable area of Riviera Plaza is 242,689 sq.ft. and 168,463 sq.ft. with a Government lease term up to 30 June 2047. The Property is currently used for commercial purposes. According to the information available to the Purchaser, the Property is partly leased with terms for the tenancies vary from one month to three years but the longest lease will expire on 31 July 2015. The monthly rental for the retail space of the Riviera Plaza is approximately HK\$1 million and for the car parks is approximately HK\$0.13 million. The Property is sold with existing lettings and tenancies but for those part(s) or portion(s) of the Property which are described as vacant in the Tender document(s), vacant possession of the same will be delivered on completion of the Acquisition on an "as is" basis.

Consideration and payment

The Consideration is HK\$508 million which shall be paid or payable by the Purchaser in accordance with the following schedule:

- (i) an amount of HK\$20 million has already paid on submission of the Tender and shall be applied as an initial deposit (the “**Initial Deposit**”) towards settling part of the Consideration;
- (ii) a further deposit of HK\$30.8 million together with the Initial Deposit, equivalent to 10% of the Consideration (the “**Further Deposit**”), shall be paid on 6 December 2012;
- (iii) a further partial payment of HK\$50.8 million, equivalent to 10% of the Consideration, shall be paid on or before 1 February 2013; and
- (iv) the balance of the Consideration of HK\$406.4 million shall be paid in full on or before 2 July 2013.

The Group will finance the payment for the Acquisition partly by the internal resources and partly by borrowings available to the Group.

The Consideration was the price of the final bid made by the Purchaser at the Tender. The Directors consider that the Consideration is fair and reasonable having taken into account the prevailing market price of similar properties in similar locations.

Conditions of the Acquisition

Completion of the Acquisition is subject to the passing of the resolution(s) by the Shareholders at the SGM approving the Acquisition and any other transactions contemplated thereunder.

The Purchaser shall use its best endeavours to procure the above condition to be fulfilled as soon as reasonably practicable and in any event within 2 months from the Acceptance Date (i.e. 19 January 2013), otherwise, (i) any agreement relating to the Acquisition shall from such date be null and void and of no further effect; and (ii) the Initial Deposit, the Further Deposit and other moneys received by the Vendor shall be returned to the Purchaser in full without any compensation of interests and costs and neither party shall have any claim against the other party save for any antecedent breach.

Completion

The completion of the Acquisition shall be no later than 2 July 2013.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in property investment and property development in Hong Kong, management and sub-licensing of wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investments in 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 whose shares are listed and traded on the main board of the Stock Exchange (Stock Code: 897).

The Board considers that the Acquisition can help enhance and enlarge the property investment portfolio of, and bring additional stable rental income to, the Group. The Property will be further refurbished and is expected to broaden its market prospect and thus, increasing the future rental value, thereby enhancing the future capital appreciation potential of the Property. The Directors are of the view that the Acquisition is in the interests of the Group and the Shareholders as a whole and the terms thereof are on normal commercial terms and are fair and reasonable.

GENERAL

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The SGM will be held to consider and, if thought fit, pass the ordinary resolution(s) to approve, among other things, the Acquisition. As no Shareholder has a material interest in the Acquisition, no Shareholder is required to abstain from voting at the SGM in respect of the Acquisition and the transactions contemplated thereunder.

A circular containing, among other things, further details of the Acquisition and a notice of the SGM, will be despatched to the Shareholders on or before 11 December 2012.

DEFINITIONS

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

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor as contemplated under the Tender
“Board”	the board of the Directors

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“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 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
“Consideration”	HK\$508 million, being the total consideration for the Acquisition paid or payable by the Purchaser
“Director(s)”	the director(s) of the Company
“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
“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 announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	all those 19,520 equal undivided 430,000 th parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as The Remaining Portion of Tsuen Wan Town Lot No. 303 And of and in the messuages erections and buildings thereon now known as “Riviera Gardens” (“海濱花園”) (the “ Development ”) TOGETHER with the sole and exclusive rights and privilege to hold use occupy and enjoy of FIRST ALL That commercial unit of the separate commercial building now known as “Riviera Plaza” of the Development and SECONDLY ALL That Car Parking Space No. 1 on 2nd Basement of Riviera Plaza of the Development and THIRDLY ALL Those Car Parking Spaces (excluding Car Parking Space No. 1 and 2nd Basement) of Riviera Plaza of the Development

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“Purchaser”	World Way Investments Limited, a property investment company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering, and if thought fit, approving, among others, the Acquisition and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“sq.ft.”	square feet
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Tender”	by order of the Vendor for the sale of the Property by private tender, which closed at 12:00 noon on 15 November 2012
“Vendor”	collectively, Tsuen Wan Properties Limited and Riviera Entertainment Limited
“%”	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, 20 November 2012

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 four independent non-executive Directors, namely Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

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