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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**

**DISCLOSEABLE  
AND  
CONNECTED TRANSACTION**

**CONNECTED TRANSACTION**

### **REGARDING DISPOSAL OF 30% INTERESTS IN A TARGET GROUP HOLDING PROPERTY DEVELOPMENT PROJECT**

#### **THE DISPOSAL**

The boards of WOG and WOP, respectively announce that on 19 April 2018 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell the Sale Shares and assign the benefit of the Shareholder Loan to the Purchaser, and the Purchaser agreed to purchase the Sale Shares and take up the assignment of the Shareholder Loan from the Vendor for the Consideration of HK\$103,800,000.

The principal asset of the Target Company is the holding of the entire issued share capital of Sky Treasure which in turn is holding the entire issued share capital of Rich United. The Target Company and Sky Treasure are investment holding and intermediate investment holding companies, respectively of WOP. Rich United is a single purpose and project specific company set up for the development of certain properties on Pok Fu Lam Road, Hong Kong.

\* *For identification purpose only*

## **GENERAL**

As the Purchaser is an associate of Mr. Yeung Fun Bun who is a director of each of New Rich and Grandwall, which are indirect non wholly-owned subsidiaries of WOP, and Mr. Yeung Fun Bun is also beneficially interested in 40% of the entire issued share capital of each of New Rich and Grandwall, each of which is a single purpose and project specific company formed to participate in property development project in Hong Kong, the Purchaser is a qualified connected person under Rule 14A.06(33) of the Listing Rules. Further, as one of the applicable percentage ratios as defined under the Listing Rules in respect of the Disposal exceeds 5% but all applicable percentage ratios are lower than 25%, the Disposal constitutes a discloseable and connected transaction for WOG, and a connected transaction for WOP and is subject to reporting and announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

The boards of WOG and WOP, respectively announce that on 19 April 2018 (after trading hours), the Vendor entered into the Agreement with the Purchaser, pursuant to which the Vendor agreed to sell the Sale Shares and assign the benefit of the Shareholder Loan to the Purchaser, and the Purchaser agreed to purchase the Sale Shares and take up the assignment of the Shareholder Loan from the Vendor for the Consideration.

## **THE AGREEMENT**

- Date : 19 April 2018 (after trading hours)
- Vendor : Silver Surplus Limited, a company incorporated in the British Virgin Islands with limited liability which is an indirect wholly-owned subsidiary of WOP and is principally engaged in the business of investment holding.
- Purchaser : Kam Wah Ever Rich Limited, a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the business of investment holding.

The entire issued share capital of the Purchaser is owned by Mr. Yeung Fun Bun, who is a director of each of New Rich and Grandwall. Each of New Rich and Grandwall is an indirect non wholly-owned subsidiary of WOP and a single purpose and project specific company formed to participate in property development project in Hong Kong. Mr. Yeung Fun Bun is also beneficially interested in 40% of the entire issued share capital of each of New Rich and Grandwall.

Asset to be disposed of : Pursuant to the Agreement, the Vendor agreed to sell the Sale Shares and assign the benefit of the Shareholder Loan to the Purchaser, and the Purchaser agreed to purchase the Sale Shares and take up the assignment of the Shareholder Loan from the Vendor.

Consideration for the Sale Shares and Shareholder Loan : HK\$103,800,000  
The Consideration has been paid by the Purchaser on Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser with reference to the Target Group's net liability and the Shareholder Loan.

Completion : Completion has taken place immediately upon the execution of the Agreement. Upon Completion, Mr. Yeung Fun Bun has become a director of each of the companies in the Target Group.

The Vendor has undertaken with the Purchaser, among other things, to execute a shareholders' agreement in such form to be agreed.

The terms of the Agreement were arrived at by the Vendor and the Purchaser after arm's length negotiations. The directors of each of WOG and WOP, including their respective independent non-executive directors, consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of each of WOG and WOP and their respective shareholders as a whole.

None of the directors of WOG and WOP has any material interest in the Disposal.

## INFORMATION OF THE TARGET GROUP

The Target Company, which was incorporated in December 2017, is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of holding the entire issued share capital of Sky Treasure (incorporated in October 2017) which in turn is holding the entire issued share capital of Rich United. The Target Company and Sky Treasure are investment holding and intermediate investment holding companies, respectively of WOP.

Rich United, which was incorporated in October 2017, is a single purpose and project specific company set up for the development of certain properties on Pok Fu Lam Road, Hong Kong. As at the date of this joint announcement, Rich United has already paid a total sum of HK\$345.0 million for such properties and the remaining balance of a sum of HK\$854.9 million has yet to be paid.

Set out below is the unaudited financial information of the Target Group as at 31 March 2018 extracted from the unaudited consolidated financial statements of the Target Group which are prepared under generally accepted accounting principles in Hong Kong:

**For the period from  
18 December 2017  
(date of incorporation) to  
31 March 2018**  
*HK\$ million*  
*(approximately)*

Net loss before taxation	0.1
Net loss after taxation	0.1

The unaudited net liabilities of the Target Group as at 31 March 2018 were approximately HK\$0.1 million.

## INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in the business of investment holding.

The entire issued share capital of the Purchaser is beneficially owned by Mr. Yeung Fun Bun, who is a director of each of New Rich and Grandwall, all of which are indirect non wholly-owned subsidiaries of WOP. Mr. Yeung Fun Bun is also beneficially interested in 40% of the entire issued share capital of each of New Rich and Grandwall.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The WOG Group is principally engaged in the businesses of management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC and property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, WOP, as well as in pharmaceutical business through its non wholly-owned listed subsidiary, Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司\*) (Stock Code: 897). 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 directors of WOG and WOP, respectively consider that the Disposal will result in the sharing of the development costs of the property development project undertaken by Rich United and also enhance the WOP's cashflow position for other potential projects. Furthermore, with the participation of the Purchaser, it will allow the WOG Group and the WOP Group to benefit from the business network and experience from its valuable partner.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

Immediately after Completion, the Target Company has become an indirect non wholly-owned subsidiary of each of WOG and WOP and the financial results of the Target Company will continue to be consolidated into the WOG Group's and the WOP Group's financial statements.

The net proceeds of approximately HK\$103.6 million (after deducting the related expenses in relation to the Disposal) will be used for the WOP Group's general working capital.

Based on, *inter alia*, the Consideration, the unaudited net liabilities as at 31 March 2018, the Shareholder Loan of approximately HK\$103.7 million and the related expenses for the Disposal, the WOP Group currently expects to record a loss on disposal of approximately HK\$0.05 million upon Completion which is subject to review by WOP's auditors.

## **GENERAL**

As the Purchaser is an associate of Mr. Yeung Fun Bun who is a director of each of New Rich and Grandwall, all of which are indirect non wholly-owned subsidiaries of WOP, and Mr. Yeung Fun Bun is also beneficially interested in 40% of the entire issued share capital of each of New Rich and Grandwall, each of which is a single purpose and project specific company formed to participate in property development project in Hong Kong, the Purchaser is a qualified connected person under Rule 14A.06(33) of the Listing Rules. Further, as one of the

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applicable percentage ratios as defined under the Listing Rules in respect of the Disposal exceeds 5% but all applicable percentage ratios are lower than 25%, the Disposal constitutes a discloseable and connected transaction for WOG, and a connected transaction for WOP and is subject to reporting and announcement requirements under Chapter 14 and Chapter 14A of the Listing Rules and is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Agreement”	the agreement for the sale and purchase of the Sale Shares and the Shareholder Loan dated 19 April 2018 entered into between the Vendor and the Purchaser in respect of the Disposal
“associate(s)”	has the meaning given to it under the Listing Rules
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning given to it under the Listing Rules
“Consideration”	the aggregate consideration of HK\$103,800,000 for the sale and purchase of the Sale Shares and the Shareholder Loan
“Disposal”	the sale of the Sale Shares and assignment of the Shareholder Loan contemplated under the Agreement
“Grandwall”	Grandwall Investment Limited 高和投資有限公司, a company incorporated in Hong Kong with limited liability, which is owned as to 60% by the WOP Group and 40% by Kam Wah Successful Limited 錦華長勝有限公司 (a company wholly owned by Mr. Yeung Fun Bun), respectively, and is a single purpose and project specific company formed to participate in property development project in Ma On Shan, Shatin, New Territories, Hong Kong
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Rich”	New Rich Investments Limited 龍勝投資有限公司, a company incorporated in Hong Kong with limited liability, which is owned as to 60% by the WOP Group and 40% by Kam Wah Sure Win Limited 錦華穩勝有限公司 (a company wholly owned by Mr. Yeung Fun Bun), respectively, and is a single purpose and project specific company formed to participate in property development project in Ma On Shan, Shatin, New Territories, Hong Kong
“PRC”	the People’s Republic of China, which for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	Kam Wah Ever Rich Limited, a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the business of investment holding
“Rich United”	Rich United Limited 榮特有限公司, a company incorporated in Hong Kong with limited liability, which is directly and wholly owned by Sky Treasure and an indirect wholly-owned subsidiary of WOP as at the date of this joint announcement
“Sale Shares”	three ordinary shares of US\$1.00 each in the Target Company, representing 30% of the entire issued share capital of the Target Company beneficially held by the Vendor
“Shareholder Loan”	the loan owing by the Target Company to the Vendor (the principal amount of such loan being HK\$103,700,907.90), which is an interest-free loan and repayable on demand and which has been assigned by the Vendor to the Purchaser on Completion

“Sky Treasure”	Sky Treasure Investments Limited 嘉才投資有限公司, a company incorporated in Hong Kong with limited liability, which is directly and wholly owned by the Target Company and an indirect wholly-owned subsidiary of WOP as at the date of this joint announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target Company”	Golden Noble Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is directly and wholly owned by the Vendor as at the date of this joint announcement
“Target Group”	the Target Company, Sky Treasure and Rich United
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	Silver Surplus Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of WOP as at the date of this joint announcement, and is principally engaged in the business of investment holding
“WOG”	Wang On Group Limited (宏安集團有限公司)*, 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: 1222)
“WOG Group”	WOG and its subsidiaries

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“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), and a listed 75%-owned subsidiary of WOG
“WOP Group”	WOP and its subsidiaries
“%”	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*

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

Hong Kong, 19 April 2018

*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.*

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