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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Wang On Group Limited (宏安集團有限公司)*, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the SGM (as defined in this circular) to be held at 17/F., Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong on Friday, 11 January 2013 at 10:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you intend to attend and vote in person at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise specifies, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Property by the Purchaser from the Vendor as contemplated under the Tender
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Bye-laws”	the bye-laws of the Company
“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, its subsidiaries and its jointly-controlled entity
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	21 December 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* For identification purpose only

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, 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
“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 Latest Practicable Date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at 17/F., Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Friday, 11 January 2013 at 10:00 a.m. for the purpose of considering, and if thought fit, approving, among others, the Acquisition and the transaction(s) 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

DEFINITIONS

“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
“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.

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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)

Executive Directors:

Mr. Tang Ching Ho, JP (Chairman)
Ms. Yau Yuk Yin (Deputy Chairman)
Mr. Chan Chun Hong, Thomas
(Managing Director)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Dr. Lee Peng Fei, Allen, CBE, BS, FHKIE, JP
Mr. Wong Chun, Justein, BBS, MBE, JP
Mr. Siu Yim Kwan, Sidney, S.B.St.J
Mr. Siu Kam Chau

Head office and

principal place of business:
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

24 December 2012

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION
ACQUISITION OF SHOPPING MALL
AND
NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 20 November 2012 in relation to the Acquisition.

The purpose of this circular is to provide you with, among others, the details of the major transaction relating to the Acquisition and the notice of the SGM to be convened and held for the purpose of considering and, if thought fit, among others, approving the resolution in relation to the Acquisition and the transaction(s) contemplated thereunder.

* For identification purpose only

LETTER FROM THE BOARD

THE 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 Latest Practicable Date

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 purpose. 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 October 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.

LETTER FROM THE BOARD

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**”) was paid on 6 December 2012;
- (iii) a further partial payment of HK\$50.8 million, equivalent to 10% of the Consideration, shall be paid in full on or before 1 February 2013 as a part payment of the Consideration; 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 which was determined after taking into account the relevant factors including rental yield, market value of comparable properties and location of the Property. 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 by the Shareholders at the SGM approving the Acquisition and any other transaction(s) 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. on or before 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.

LETTER FROM THE BOARD

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 Chinese wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investments in WYT.

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 also 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. As at the Latest Practicable Date, there was no concrete plan of the refurbishment of the Property and thus the details of the construction, renovation or improvement of the Property was not available at this stage. 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

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 the reporting, announcement and shareholders' approval requirements under the Listing Rules.

The SGM will be held to consider and, if thought fit, pass the ordinary resolution, among other things, in relation to the Acquisition and the transaction(s) contemplated thereunder. 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 transaction(s) contemplated thereunder.

FINANCIAL EFFECT ON THE GROUP

Upon completion of the Acquisition, non-current assets of the Group will increase by an increase in investment properties. Current assets will decrease and non-current liabilities will increase, assuming that the Acquisition is financed partly by cash and bank balances and partly by long-term bank loan. The Acquisition will have no effect on the net asset value of the Group. Details of the estimated effect of the Acquisition on the assets and liabilities of the Group is set out in Appendix III to this circular.

As the completion of the Acquisition, if the Acquisition proceeds, is to take place on or before 2 July 2013, it is estimated that the Acquisition will contribute an annual rental income of approximately HK\$13 million to the earnings of the Group. The Directors are of the view that rental income from the Property will increase gradually as the current rentals are severely below market rates and the Group intends to bring the rentals back to market rates when the existing tenancies expire.

LETTER FROM THE BOARD

THE SGM

A notice of the SGM is set out on pages SGM-1 to SGM-2 of this circular for the purpose of considering and, if thought fit, among others, approving the resolution in relation to the Acquisition and the transaction(s) contemplated thereunder. A form of proxy for use at the SGM is accompanied with this circular.

Pursuant to Rules 13.39(4) and 13.39(5) of the Listing Rules and the Bye-laws, the voting on the proposed resolution(s) at the SGM will be taken by way of a poll and an announcement on the poll results will be made by the Company after the SGM.

Whether or not you intend to attend and vote in person at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the proxy form shall be deemed to be revoked.

RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Acquisition are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the SGM to approve the Acquisition.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman

* For identification purpose only

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2010, 2011 and 2012 and the six months ended 30 September 2012 are disclosed in the annual reports of the Company for the years ended 31 March 2010 (pages 32 to 123), 2011 (pages 34 to 110), and 2012 (pages 44 to 130) and the interim report of the Company for the six months ended 30 September 2012 (pages 16 to 38), respectively, which are published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.wangon.com>). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2010, 2011 and 2012.

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 October 2012, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement prior to the printing of this circular, the Group had outstanding bank loans of approximately HK\$990.9 million, of which bank loans with an aggregate amount of approximately HK\$957.8 million were secured by the Group's investment properties and certain rental income generated therefrom, properties under development and properties held for sale. The carrying values of the Group's investment properties, properties under development and properties held for sale as at 31 October 2012, which were pledged to secure the Group's bank loans, amounted to approximately HK\$649.2 million, HK\$1,316.5 million and HK\$341.3 million, respectively.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 31 October 2012, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors after due and careful enquiry are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

There is no change in the Group's principal activities since 31 March 2012 (being the date on which the latest published audited consolidated financial statements of the Group were made up).

With the persistent sovereign debt crisis of a number of European countries and nationwide opposition to reduction in government spending and cut in retirement benefits for the general public, the global economy remains uncertain and challenging in 2012. In Hong Kong, the residential property market conditions had generally been positive due partly to the prevailing exceptionally low mortgage interest rates, strong demand from the PRC investors, growing inflation and relatively low unemployment rate. These positive factors were adversely affected by the recent introduction of Buyer's Stamp Duty of 15% on corporate and non-permanent-resident buyers of home in Hong Kong, extension of restriction period from two years to three years and increase in applicable rates ranging from 10% to 20% for Special Stamp Duties, the latter of which was first implemented in November 2010.

Under the influence of the third round of quantitative easing by the US Federal Reserve, there was massive influx of hot money into Hong Kong. The Hong Kong Monetary Authority had stepped in and tightened the requirements for granting new home loans to borrowers with more than one mortgage. All these measures will inevitably slow down transactions activities in both the primary and the secondary residential property markets in the short run. In anticipation of an increase in land supply in the short-and-medium term by the Hong Kong government, the property market will become more stable and healthy.

The Group continues to be a leader in the management of Chinese wet markets in Hong Kong. Coupled with its solid management experience and comprehensive database of stall operators, the Group will make every effort to increase its market share and improve the operation environment by constantly optimising its stall operators mix and introducing new elements to its managed Chinese wet markets.

1. UNAUDITED FINANCIAL INFORMATION OF THE PROPERTY

Pursuant to Rule 14.67(6)(b)(i) of the Listing Rules on an acquisition of any revenue-generating assets (other than a business or a company) with an identifiable income stream or assets valuation, a profit and loss statement for the three preceding financial years (or less, where the Property has been held by the Vendor for a shorter period) on the identifiable net income stream has to be included in the circular. Despite repeated requests, the Company was only provided with limited financial information of the Property for the three years ended 30 June 2012, but (i) no further detailed breakdown of the said financial information had been provided, (ii) the Company is not allowed to gain access to the underlying books and records of the Vendor, and (iii) no copies of any tenancy agreements relating to the Property are being provided. The Vendor considers that it is not appropriate or desirable to allow the Company to access to the books and records of the Vendor, as they possess other financial information which is confidential and not relevant to the Acquisition. As the Vendor are private companies, their financial information is not available in public domain.

The Company has therefore applied, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of the Listing Rules which requires the Company to include in this circular a profit and loss statement of the Property for the three preceding financial years with the auditors or reporting accountants reporting that the information therein are derived from the underlying books and records, such that the following information be disclosed instead.

1. As the Company was provided with a list of subsisting tenancies relating to the retail space of the Riviera Plaza (not including the car parks) (the "Tenancy List") in the Tender documents, the Company has engaged its legal adviser to perform an inspection on all 45 subsisting tenancy agreements (the "Existing Tenancy Agreements") of the Property as listed out in the Tenancy List during the due diligence process for the Acquisition and compile a tenancy report (the "Tenancy Report"). According to the Tenancy Report, portion of the Property with floor area of approximately 91,420 sq.ft was leased out to various individual tenants. Based on the details of the tenancies disclosed in (a) to (f) below, the sum of the gross monthly rental of all the Existing Tenancy Agreements is approximately HK\$996,000 (excluding any turnover rents, if any) and the estimated annualised gross rental income so derived is approximately HK\$11,952,000, based on the assumption that all the Existing Tenancy Agreements are valid and subsisting for a period of 12 months.

Since the estimation of the above gross rental income information is based solely on the Existing Tenancy Agreements which may not include the tenancy agreements expired during the three years ended 30 June 2012, it may not give a true picture of the gross rental income of the Property for the three years ended 30 June 2012.

APPENDIX II	FINANCIAL INFORMATION OF THE PROPERTY
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The details of the tenancies according to the Tenancy Report are set out as follows:

- a. Approximately 65,693 sq.ft was leased out to various tenants for terms expiring between 31 December 2012 and 31 October 2015 at a total monthly rental of \$484,780 exclusive of all outgoings.
 - b. Approximately 2,599 sq.ft was leased out to a tenant for a term expiring on 30 September 2014 at monthly rental of \$25,000 exclusive of all outgoings plus 6% of turnover rent on those portion of product sales exceeding HK\$800,000.
 - c. Approximately 3,031 sq.ft was leased out to various tenants for terms expiring between 2 March 2013 and 4 June 2015 at a total monthly rental of \$12,076 inclusive of air-conditioning charges, management fee and Government rates.
 - d. Approximately 19,147 sq.ft was leased out to various tenants for terms expiring between 28 February 2014 and 5 June 2015 at either a total monthly rental of \$310,941 exclusive of all outgoings or 4% to 9% on total gross sales, whichever is the higher.
 - e. Approximately 950 sq.ft was leased out at a monthly rental of \$4,750 per month exclusive of air-conditioning charges but inclusive of management fee and Government rates. The lease term, which commenced from 1 January 2011, is determinable by either party by serving to the counterparty one month's prior written notice.
 - f. The total monthly rent payable for advertising banner space, kiosk, mobile base station and signbox was HK\$158,300 expiring between 19 March 2013 and 4 June 2015.
2. According to the Existing Tenancy Agreements, the gross rental income of the Property derived from the Existing Tenancy Agreements (including the retail space of the Riviera Plaza, but not including the car parks) and attributable to each of the three years ended 30 June 2010, 2011 and 2012 are set out below:

	For the year ended 30 June		
	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Gross Rental Income	<u>239,000</u>	<u>1,004,000</u>	<u>4,410,000</u>

The estimated annualised gross rental income of HK\$11,952,000 (as disclosed in paragraph 1 above) is significantly higher than the gross rental income for each of the three years ended 30 June 2012 as derived solely from the Existing Tenancy Agreements (as disclosed in this paragraph 2) because:

- (i) the Existing Tenancy Agreements are only those subsisting tenancies which were valid and effective at the time of the Tender and inspected by the Company's legal adviser; they may not form a complete set of tenancy agreements from which the Property had derived gross rental income throughout the three years ended 30 June 2012; and
- (ii) the tenancies of approximately 70% of the leased out floor areas are only effective and commenced in 2012 (those tenancy agreements which expired prior to the time of the Tender were not provided (*i.e. if the term of a tenancy agreement was from 1 June 2009 to 31 May 2011, such agreement would not be provided by the Vendor, as it expired prior to the date of Tender. The gross rental information arising from such tenant in the expired period of tenancy, therefore, would not be reflected in the estimation above*).

Since the estimation of the above gross rental income information is based solely on the Existing Tenancy Agreements (which may not include tenancy agreements which expired during the three years ended 30 June 2012), it may not give a true picture of the gross rental income of the Property for the three years ended 30 June 2012.

- 3. The Vendor has provided the gross rental income from the Property (including both the retail space of the Riviera Plaza and the car parks) for the three years ended 30 June 2012 as follows:

	For the year ended 30 June		
	2010	2011	2012
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>
Gross Rental Income	<u>10,153,000</u>	<u>11,877,000</u>	<u>13,434,000</u>

Further, according to the information provided by the agent of the Vendor, the total monthly retail income generated from the car parks is approximately HK\$0.13 million. The Company is unable to confirm if such financial information provided by the Vendor may give a true picture of the performance of the Property for the three years ended 30 June 2012 as no detailed breakdown of the same had been provided despite repeated requests. However, as such financial information was provided by the Vendor on the understanding that the Company will disclose the same in this circular, and the figures disclosed are close to the estimated annualised gross rental profit (as disclosed in paragraph 1 above), the Directors are of the view that this information should be disclosed to the Shareholders to enable them to make an informed assessment of the Property.

4. Pursuant to the Tenancy Report, the landlord is responsible for the payment of management fee, Government rates and rents and utilities for some of the units. These expenses vary according to their consumption and are therefore not stated in the Existing Tenancy Agreements. In the absence of detailed financial information provided by the Vendor, the expense summary related to the Property cannot be prepared and provided to the Shareholders. However, the management of the Company estimates that the aggregate annual direct operating expenses in relation to the Property were approximately HK\$3.46 million, of which utilities expenses was approximately HK\$1.22 million and management fee expenses was approximately HK\$2.24 million, based on the assumption that the Property achieved the same existing occupancy rate of approximately 50% during the three years ended 30 June 2012. The annual Government rates and rents of approximately HK\$1.2 million was derived from the information extracted from the Rating and Valuation Department, which does not form part of the direct operating expenses. Since the estimation of the above aggregate annual direct operating expenses information is based only on management's experience on operating properties with similar floor area and occupancy rate, it may not give a true picture of the direct operating expenses of the Property for the three years ended 30 June 2012.

The Directors have engaged Ernst & Young, the auditors of the Company, to perform the following procedures in respect of the compilation of the estimated gross rental income information prepared by management of the Company as set out in paragraphs 1 and 2 on pages II-1 to II-2 above and the gross rental income information of the Property for the three years ended 30 June 2012 provided by the Vendor as set out in paragraph 3 on page II-3 above in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed Upon Procedures Regarding Financial Information" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Procedures performed by Ernst & Young:

- (i) Obtained from management of the Company the summary schedule with respect to the estimated gross rental income information as set out in paragraphs 1 and 2 on pages II-1 to II-2 above and checked arithmetical accuracy;
- (ii) Compared the amounts of (1) the sum of the gross monthly rental of all the Existing Tenancy Agreements and the estimated annualised gross rental income as set out in paragraph 1 on page II-1 above and (2) the gross rental income derived from the Existing Tenancy Agreements for each of the three years ended 30 June 2010, 2011 and 2012 as set out in paragraph 2 on page II-2 above to the summary schedule obtained in procedure (i) above;
- (iii) Randomly selected 25 samples from the summary schedule obtained in procedure (i) above and compared tenant names, floor areas which were leased out, tenancy periods and the monthly rental amounts (collectively the "Particulars") to the Tenancy List, the Tenancy Report and the floor plan of the Property, as appropriate, provided by management of the Company; and

- (iv) Compared the amounts of gross rental income of the Property for the three years ended 30 June 2012 provided by the Vendor as set out in paragraph 3 on page II-3 above to the financial information provided by the Vendor.

Ernst & Young's findings are:

- a. With respect to procedure (i), Ernst & Young found that the summary schedule prepared by management of the Company was arithmetically accurate;
- b. With respect to procedure (ii), Ernst & Young found that (1) the sum of the gross monthly rental of all the Existing Tenancy Agreements and the estimated annualised gross rental income as set out in paragraph 1 on page II-1 above and (2) the gross rental income derived from the Existing Tenancy Agreements for each of the three years ended 30 June 2010, 2011 and 2012 as set out in paragraph 2 on page II-2 above were in agreement with those contained in the summary schedule prepared and provided by management of the Company;
- c. With respect to procedure (iii), Ernst & Young found that the Particulars of the 25 samples randomly selected from the summary schedule prepared by management of the Company were in agreement with those contained in the Tenancy List, Tenancy Report and the floor plan of the Property, as appropriate, provided by the management of the Company; and
- d. With respect to procedure (iv), Ernst & Young found that the amounts of gross rental income information of the Property for the three years ended 30 June 2012 as set out in paragraph 3 on page II-3 above was in agreement with the financial information provided by the Vendor.

As the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, Ernst & Young do not express any assurance on the estimated gross rental income information prepared by management of the Company as set out in paragraphs 1 and 2 on pages II-1 to II-2 above and the gross rental income information of the Property provided by the Vendor as set out in paragraph 3 on page II-3 above.

Had Ernst & Young performed additional procedures or had Ernst & Young performed an assurance engagement on the estimated gross rental income information prepared by management of the Company and the gross rental information of the Property provided by the Vendor in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to their attention that would have been reported to the Company.

2. VALUATION OF THE PROPERTY

No valuation of the Property at the end of the three years ended 30 June 2012 was disclosed herein as the Directors were unable to obtain any valuation reports from the Vendor.

INTRODUCTION

The unaudited pro forma financial information of the Group has been prepared for illustrative purpose only and because of its hypothetical nature, it may not give a true picture of the financial position of the Group at any future date.

The following is the unaudited pro forma financial information of the Group illustrating how the Acquisition might have affected the unaudited pro forma statement of assets and liabilities of the Group as if the Acquisition had been completed as at 30 September 2012. The unaudited pro forma statement of assets and liabilities of the Group as at 30 September 2012 is prepared based on the Group's unaudited consolidated statement of financial position as at 30 September 2012 as extracted from its published 2012 interim report of the Group for the period ended 30 September 2012, after making such pro forma adjustment relating to the Acquisition.

Unaudited Pro Forma Financial Information of the Group after the Acquisition**Unaudited Pro Forma Statement of Assets and Liabilities**

30 September 2012

	The Group (Unaudited)	Pro forma adjustment for the Acquisition		The Group after the Acquisition (Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>		<i>HK\$'000</i>
	<i>Note (1)</i>		<i>Notes</i>	
NON-CURRENT ASSETS				
Property, plant and equipment	6,445			6,445
Investment properties	846,677	530,650	(2), (3)	1,377,327
Properties under development	1,308,432			1,308,432
Goodwill	1,376			1,376
Investment in an associate	371,896			371,896
Loans and interests receivable	746,962			746,962
Deposits paid	13,316			13,316
Deferred tax assets	506			506
	<hr/>			<hr/>
Total non-current assets	3,295,610			3,826,260
	<hr/>			<hr/>

	The Group (Unaudited) <i>HK\$'000</i> <i>Note (1)</i>	Pro forma adjustment for the Acquisition <i>HK\$'000</i>		The Group after the Acquisition (Unaudited) <i>HK\$'000</i>
			<i>Notes</i>	
CURRENT ASSETS				
Properties held for sale	342,414			342,414
Trade receivables	2,759			2,759
Loans and interests receivable	400			400
Prepayments, deposits and other receivables	152,584			152,584
Financial assets at fair value through profit or loss	52,524			52,524
Tax recoverable	2,660			2,660
Cash and cash equivalents	537,458	(276,650)	(4)	260,808
Total current assets	<u>1,090,799</u>			<u>814,149</u>
CURRENT LIABILITIES				
Trade payables	14,793			14,793
Other payables and accruals	26,810			26,810
Deposits received and receipts in advance	270,339			270,339
Interest-bearing bank loans	205,519			205,519
Provisions for onerous contracts	770			770
Tax payable	27,448			27,448
Total current liabilities	<u>545,679</u>			<u>545,679</u>
NET CURRENT ASSETS	<u>545,120</u>			<u>268,470</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,840,730</u>			<u>4,094,730</u>
NON-CURRENT LIABILITIES				
Interest-bearing bank loans	796,671	254,000	(4)	1,050,671
Provisions for onerous contracts	2,304			2,304
Deferred tax liabilities	10,188			10,188
Total non-current liabilities	<u>809,163</u>			<u>1,063,163</u>
Net assets	<u><u>3,031,567</u></u>			<u><u>3,031,567</u></u>

	The Group (Unaudited) <i>HK\$'000</i> <i>Note (1)</i>	Pro forma adjustment for the Acquisition <i>HK\$'000</i> <i>Notes</i>	The Group after the Acquisition (Unaudited) <i>HK\$'000</i>
EQUITY			
Equity attributable to owners of the parent			
Issued capital	65,249		65,249
Reserves	<u>2,965,851</u>		<u>2,965,851</u>
	3,031,100		3,031,100
Non-controlling interests	<u>467</u>		<u>467</u>
Total equity	<u><u>3,031,567</u></u>		<u><u>3,031,567</u></u>

Notes:

- (1) The unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2012 are extracted from the published 2012 interim report of the Group for the period ended 30 September 2012.
- (2) The adjustment represents the acquisition cost of the Property amounted to HK\$508 million and the incidental costs estimated to be approximately HK\$22.65 million (including stamp duty of approximately HK\$21,590,000, legal and professional fee of approximately HK\$810,000 and other expenses of approximately HK\$250,000) payable in connection with the Acquisition, as if the Acquisition was completed on 30 September 2012.
- (3) In accordance with the Group's accounting policy, property held to earn rental income is accounted for as an investment property in the Group's financial statements.
- (4) The Group intends to fund the Acquisition partly by internal resources and partly by bank borrowings. In preparing the unaudited pro forma statement of assets and liabilities, the Directors had assumed that the Group will settle 50% of the consideration and all direct expenses (approximately HK\$277 million) by internal resources and 50% of the consideration (approximately HK\$254 million) by mortgage bank loan. It is also assumed that the mortgage bank loan will be classified as a non-current liability. As such, the apportionment of the above financing at the date of Completion could be different from the amounts presented above.
- (5) No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2012.

LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is a text of the letter from Ernst & Young, the reporting accountants, in respect of the unaudited pro forma financial information of the Group, prepared for the purpose of incorporation in this circular.



22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

24 December 2012

The Directors
Wang On Group Limited

Dear Sirs,

We report on the unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) of Wang On Group Limited (the “**Company**”), its subsidiaries and its jointly-controlled entity (hereinafter collectively referred to as the “**Group**”), which has been prepared by the directors of the Company (the “**Directors**”), for illustrative purposes only, to provide information about how the proposed acquisition of a shopping mall might have affected the financial information presented, for inclusion in Appendix III to the circular dated 24 December 2012 (the “**Circular**”). The basis of preparation of the Unaudited Pro Forma Financial Information is set out in Appendix III to the Circular.

Respective Responsibilities of the Directors and Reporting Accountants

It is the responsibility solely of the Directors to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to The Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

It is our responsibility to form an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of Opinion

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 *Accountants' Reports on Pro Forma Financial Information in Investment Circulars* issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments, and discussing the Unaudited Pro Forma Financial Information with the Directors. This engagement did not involve independent examination of any of the underlying financial information.

Our work did not constitute an audit or a review made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

The Unaudited Pro Forma Financial Information is for illustrative purposes only, based on the judgements and assumptions of the Directors, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of the financial position of the Group as at 30 September 2012 or any future dates.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 October 2012 of the Property interests to be acquired by the Group.



Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901 9/F On Hong Commercial Building
No.145 Hennessy Road Wanchai HK
香港灣仔軒尼詩道145號安康商業大廈9樓901室
Tel: (852) 2529 9448 Fax: (852) 3521 9591

24 December 2012

The Board of Directors
Wang On Group Limited

Dear Sirs,

Re: Valuation of property interests situated in Hong Kong

In accordance with the instructions from Wang On Group Limited (the “**Company**”) to value the property interests (the “**Property**”) to be acquired by the Company or its subsidiaries (altogether referred to as the “**Group**”) situated in Hong Kong, we confirm that we have carried out inspections of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Property as at 31 October 2012 (the “**date of valuation**”).

BASIS OF VALUATION

Our valuation of the Property represents the market value which we would define as intended to mean “the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Property. However, we have not verified ownership of the Property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

According to the Land Registry records, the registered owners of the Property are Tsuen Wan Properties Limited and Riviera Entertainment Limited, independent third parties to the Company.

VALUATION METHODOLOGY

The Property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the Group sell the Property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government Lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was inspected on 23 November 2012 by Mr. Liu Ho Chi, who is a member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report on whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 5 issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards on Properties (First Edition 2005) published by The Hong Kong Institute of Surveyors effective from 1 January 2005.

We enclose herewith our valuation certificate.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property to be acquired by the Group

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 October 2012 HK\$
Commercial Unit and Car Parking Space on 1st and 2nd Basement of Riviera Plaza, Riviera Gardens, Nos. 1-9, 2-12 Yi Lok Street, Nos. 1-7, 2-12 Yi Hong Street, Tsuen Wan, New Territories. (Note 1)	The Property known as "Riviera Plaza" is situated on the western side of Yi Lok Street at its junction with Wing Shun Street in Tsuen Wan of the New Territories. It is a 9-storey shopping arcade plus two basement levels and was completed in 1990.	As at the date of valuation, portion of the Property with floor area of approximately 91,420 square feet was leased out to various tenants for terms expiring on between 31 December 2012 and 31 October 2015 at total monthly rental of approximately \$996,847 (please refer to Note 5 below for further details).	510,000,000
19,520/430,000th equal and undivided shares of and in the Remaining Portion of Tsuen Wan Town Lot No. 303	The total gross floor area of the property is approximately 242,689 square feet (22,546.57 square metres).	The occupancy rate of shopping arcade is about 54%.	
	The Property is held under New Grant No. TW6577 for a term of 99 years commencing from 1 July 1898 and the term has been statutorily extended to 30 June 2047. The current Government Rent payable for the Property is an amount equal to 3% of the rateable value for the time being of the Property per annum.	According to the information provided by the agent of the vendor, the total monthly rental income generated from the carpark is HK\$134,044.	
		The remaining portion of the Property was vacant.	

Notes:

1. The Property is all those 19,520 equal undivided 430,000th parts or shares of and in all that piece or parcel 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" (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 on 2nd basement) of Riviera Plaza of the development.
2. The current registered owner of Car Parking Spaces (Excluding Car Parking Space No. 1 on the 2nd Basement) and Commercial Unit of Riviera Plaza is Tsuen Wan Properties Limited. (Remarks: New Grant No. 6577 of Tsuen Wan Town Lot No. 303)
3. The current registered owner of Car Parking Space 1 on 2nd Basement is Riviera Entertainment Limited, registered vide memorial no. TW924124 dated 29 September 1993.
4. The Property is subject to the following registered encumbrances:
 - i. Deed of Mutual Covenant vide memorial no. TW530360 dated 30 August 1988;
 - ii. Management Agreement vide memorial no. TW530362 dated 30 August 1988;
 - iii. Occupation Permit No. NT108/90 vide memorial no. TW691377 dated 24 August 1990;
 - iv. Certificate of Compliance vide memorial no. TW887572 dated 4 May 1993;
 - v. Sub-deed of Mutual Covenant vide memorial no. TW924125 dated 29 September 1993;

- vi. Temporary waiver letter vide memorial no. TW1334395 dated 23 February 2000 (Remarks: Re Portion of G/F, 1/F, 2/F and 3/F) (Re: Commercial Unit of Riviera Plaza);
- vii. Temporary waiver letter vide memorial no. TW1364571 dated 2 August 2000 (Remarks: Re Portion of 5/F) (Re: Commercial Unit of Riviera Plaza); and
- viii. Temporary waiver letter vide memorial no. TW1449831 dated 30 January 2002 (Remarks: Re Shop Nos. 404, 405 & 406 on 4/F) (Re: Commercial Unit of Riviera Plaza).
5. The Property is subject to New Grant No.13553. It stipulated in the conditions, inter alia, that:-
“(17) Subject to these Conditions, the lot or any part thereof or any building or part of any building erected or to be erected thereon, shall not be used for any purposes other than non-industrial (excluding godown and hotel) purposes.”
6. Pursuant to Occupation Permit No. NT108/90 dated 24 August 1990, the permitted use under the Occupation Permit is set out as follows:-
“A 9-storey (over 2 basement) commercial centre comprising :-
- | | |
|--|--|
| 2 nd Basement: | Carparking, loading/unloading area, store room, maintenance room and ancillary accommodation for non-domestic use. |
| 1 st Basement: | Carparking, maintenance room, male/female changing rooms and ancillary accommodation for non-domestic use. |
| Ground Floor: | Main entrance lobby, cinema foyer, transport interchange and ancillary accommodation for non-domestic use. |
| 1 st Floor: | Shops, and ancillary accommodation for non-domestic use. |
| 2 nd Floor: | Shops, cinema, store room and ancillary accommodation for non-domestic use. |
| 3 rd Floor: | Shops, ice-skating rink, cinema projection room, store rooms, utility room and ancillary accommodation for non-domestic use. |
| 4 th & 5 th Floor: | Shops and ancillary accommodation for non-domestic use. |
| 6 th Floor: | Shops, restaurant, store room and ancillary accommodation for non-domestic use. |
| 7 th Floor: | Restaurant, shops and ancillary accommodation for non-domestic use. |
| 8 th Floor: | Restaurants, food preparation rooms, seating areas and ancillary accommodation for non-domestic use. |
| Roof: | Storage/workshop for non-domestic use.” |
7. According to the information set out in the Tenancy Report, portion of the Property with floor area of approximately 91,420 square feet was leased out to various individual tenants. The details of tenancies are set out as follow:-
- i. Approximately 65,693 square feet was leased out to various tenants for terms expiring between 31 December 2012 and 31 October 2015 at a total monthly rental of \$484,780 exclusive of all outgoing.
- ii. Approximately 2,599 square feet was leased out to a tenant for a term expiring on 30 September 2014 at monthly rental of \$25,000 exclusive of all outgoing plus 6% of turnover rent for those portion of product sales exceeding HK\$800,000.
- iii. Approximately 3,031 square feet was leased out to various tenants for terms expiring between 2 March 2013 and 4 June 2015 at total monthly rental of \$12,076 inclusive of air-conditioning charges, management fee and Government rates.
- iv. Approximately 19,147 square feet was leased out to various tenants for terms expiring between 28 February 2014 and 5 June 2015 at either total monthly rental of \$310,941 exclusive of all outgoing or 4% to 9% on total gross sales, whichever is the higher.
- v. Approximately 950 square feet was leased out at a monthly rental of \$4,750 per month exclusive of air-conditioning charges but inclusive of management fee and Government rates. The lease term, which commenced from 1 January 2011, is determinable by either party by serving to the counterparty one month’s prior written notice.
- vi. The total monthly rent payable for advertising banner space, kiosk, mobile base station and signbox was HK\$158,300 expiring between 19 March 2013 and 4 June 2015.
8. The Property falls within an area zoned as “Commercial (1)” under draft Tsuen Wan Outline Zoning Plan no. S/TW/29 dated 24 February 2012.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

(i) Long positions in the Shares

Name of Director	Number of Shares held, capacity and nature of interest					Total	Approximate percentage of the Company's total issued share capital (Note g) %
	Personal interest	Family interest	Corporate interest	Other interest			
Tang Ching Ho	9,342,113	9,342,100 (Note a)	34,172,220 (Note b)	1,663,309,609 (Note c)		1,716,166,042	26.30
Yau Yuk Yin	9,342,100	43,514,333 (Note d)		1,663,309,609 (Note e)		1,716,166,042	26.30

(ii) Long positions in underlying Shares

Name of Director	Date of grant	Exercise price per Share HK\$	Number of share options outstanding	Exercisable period (Note f)	Number of underlying Shares	Number of total underlying Shares	Approximate percentage of the Company's total issued share capital
							(Note g) %
Chan Chun Hong, Thomas	2.1.2008	2.4082	90,146	2.1.2009 to 1.1.2013	90,146		
	8.1.2009	0.3893	180,295	8.1.2010 to 7.1.2019	180,295	270,441	0.01

Notes:

- (a) Mr. Tang was taken to be interested in those Shares in which his spouse, Ms. Yau, was interested.
- (b) Mr. Tang was taken to be interested in those Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang was taken to be interested in those Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.
- (d) Ms. Yau was taken to be interested in those Shares in which her spouse, Mr. Tang, was interested.
- (e) Ms. Yau was taken to be interested in those Shares by virtue of being a beneficiary of Tang's Family Trust.
- (f) These Shares represent such Shares which may fall to be issued upon the exercise of the share options by Mr. Chan Chun Hong, Thomas during the period from 2 January 2009 to 7 January 2019, which number and exercise prices thereof are subject to adjustment in accordance with the share option scheme adopted by the Company on 3 May 2002:

The exercisable period of the above share options beneficially held by Mr. Chan Chun Hong, Thomas was vested as follows:

On 1st anniversary of the date of grant	30% vest
On 2nd anniversary of the date of grant	Further 30% vest
On 3rd anniversary of the date of grant	Remaining 40% vest

- (g) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 6,524,935,021 Shares.

(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed below, as at the Latest Practicable Date, no person had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (Note 4) %
Accord Power Limited (Note 1)	Beneficial owner	1,663,309,609	25.49
Fiducia Suisse SA (Note 1)	Interest of controlled corporation	1,663,309,609	25.49
David Henry Christopher Hill (Note 2)	Interest of controlled corporation	1,663,309,609	25.49
Rebecca Ann Hill (Note 3)	Family interest	1,663,309,609	25.49

Notes:

- (1) Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those Shares held by Accord Power Limited.
- (2) Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those Shares in which Fiducia Suisse SA was interested.
- (3) Ms. Rebecca Ann Hill was taken to be interested in those Shares in which her spouse, Mr. David Henry Christopher Hill was interested.
- (4) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 6,524,935,021 Shares.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (ii) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2012, being the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interests in businesses which competed or were likely, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date of which the latest published audited consolidated financial statements of the Group were made up.

8. MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date and are or may be material:

- (a) the Tender documents;
- (b) a top-up placing and subscription agreement dated 30 November 2012 entered into between Rich Time Strategy Limited (“**Rich Time**”), an indirect wholly-owned subsidiary of the Company, as the vendor and the subscriber, WYT as the issuer and Kingston Securities Limited (“**Kingston**”) pursuant to which (i) Rich Time has agreed to place, through Kingston, 250,000,000 existing shares of WYT to not fewer than six places who and whose ultimate beneficial owners will not be connected persons of WYT and its connected persons at the placing price of HK\$0.125 per share of WYT; and (ii) Rich Time has conditionally agreed to subscribe for 250,000,000 new shares of WYT at the subscription price of HK\$0.125 per share of WYT the details of which were set out in the joint announcement published by the Company and WYT on 30 November 2012;
- (c) a sale and purchase agreement dated 22 November 2012 entered into between Ever Task Limited, an indirect wholly-owned subsidiary of the Company, as purchaser, and Gain Better Investments Limited (an indirect wholly-owned subsidiary of WYT), as vendor, in relation to an acquisition of 1,150,000,000 shares of PNG Resources Holdings Limited (“**PNG**”), being approximately 14.95% equity interest in PNG, at a consideration of HK\$110.4 million, the details of which were set out in the joint announcement published by the Company and WYT on 22 November 2012;
- (d) a provisional sale and purchase agreement dated 20 July 2012 entered into between Win Regent Limited, a wholly-owned subsidiary of the Company, as the vendor, and an individual third party, as the purchaser, in relation to the disposal of a property located at Shop 23, G/F., No. 16 Mei Tin Road and Nos. 15 & 35 Tsuen Nam Road, Grandway Garden, Shatin, New Territories, Hong Kong for a total consideration of HK\$50.3 million;
- (e) the loan agreement dated 16 July 2012 (which was amended by a supplemental agreement dated 31 July 2012) entered into between True Noble Limited (“**True Noble**”), a wholly-owned subsidiary of the Company, as the lender, and China Agri-Products Exchange Limited (“**CAP**”), as the borrower on 16 July 2012 in relation to a loan facility of not exceeding a sum of HK\$670 million granted to CAP at an interest rate of 10% per annum, together with the security documents provided by CAP and its subsidiaries to True Noble, the details of which were set out in the announcements of the Company dated 16 July 2012 and 31 July 2012 and the circular of the Company dated 3 August 2012;

- (f) a licence agreement dated 30 June 2012 entered into between WYT, as the licensor, and Wang On Management Limited, a wholly-owned subsidiary of the Company, as the licensee, in respect of the sub-lease of certain portions of the UG/F, G/F, 1st Floor and 5th Floor of Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong for a monthly rental of HK\$154,000 for a term of three years commencing from 1 July 2012;
- (g) a provisional sale and purchase agreement dated 14 June 2012 entered into between Champford Investment Limited, a wholly-owned subsidiary of the Company, as the vendor, and Mega Elegant Limited, as the purchaser, in relation to the disposal of a property located at the ground floor of No. 170 Castle Peak Road, Section A of Lot No. 3705 in DD120, Yuen Long, New Territories, Hong Kong for a total consideration of HK\$82.8 million;
- (h) a supplemental agreement to the loan agreement and share charge dated 16 June 2011 entered into between Ready Leader Limited (“**Ready Leader**”), an indirect wholly-owned subsidiary of the Company, as the lender, and Cheng Yu, as the borrower, pursuant to which Ready Leader agreed to extend the repayment date of the loan facility of HK\$10 million under the loan agreement dated 30 April 2010 to 30 September 2011;
- (i) a supplemental agreement to the loan agreement and share charge dated 16 June 2011 entered into between Ready Leader, as the lender, and Liang Yun, as the borrower, pursuant to which Ready Leader agreed to extend the repayment date of the loan facility of HK\$10 million under the loan agreement dated 30 April 2010 to 30 September 2011;
- (j) a loan agreement dated 7 June 2011 entered into between Fully Finance Limited (“**Fully Finance**”), an indirect wholly-owned subsidiary of the Company, as the lender, and PNG, as the borrower, in relation to an secured loan facility of a maximum of HK\$135 million granted to PNG at an interest rate of 8% per annum, the details of which are set out in the announcement of the Company dated 9 June 2011;
- (k) a provisional sale and purchase agreement dated 25 March 2011, entered into between WEH Investments Limited, an indirect wholly-owned subsidiary of the Company, as the vendor, and On Kee Dry Seafood Co., Limited, as the purchaser, in relation to the disposal of a property located at Shop C on Ground Floor, Tsuen Fung Building, Nos. 39–43A, Tsuen Wan Market Street, Tsuen Wan, New Territories, Hong Kong for a total consideration of HK\$53.8 million, the details of which were set out in the announcement of the Company dated 28 March 2011;

- (l) a loan agreement dated 11 March 2011 entered into between Fully Finance as the lender, and PNG as the borrower, in relation to an unsecured loan facility of not exceeding a sum of HK\$35 million granted to PNG at an interest rate of 8% per annum, the details of which were set out in the announcement of the Company dated 11 March 2011;
- (m) three sets of supplemental agreements, each dated 11 March 2011, entered into between Fully Finance and PNG in relation to an extension of repayment dates under each of the respective loan agreements dated 21 November 2008 (as amended by a supplemental agreement dated 14 January 2011), 16 June 2009 and 4 November 2009 and the amendment of the interest rate payable by PNG under each of the loan agreements, the details of which were set out in the announcement of the Company dated 11 March 2011;
- (n) a loan agreement dated 28 March 2011 entered into between True Noble and CAP in relation to the grant of an unsecured loan facility to CAP for the sum of not exceeding HK\$200 million at an interest rate of 8% per annum for a period expiring on 30 September 2012, details of which were set out in the announcement and circular of the Company dated 28 March 2011 and 18 April 2011, respectively;
- (o) a loan agreement dated 10 March 2011 entered into between True Noble and CAP, in relation to the grant of an unsecured loan facility to CAP for the sum of not exceeding HK\$30 million at an interest rate of 6% per annum for a period expiring on 13 September 2012; and
- (p) a supplemental agreement dated 14 January 2011 entered into between Fully Finance and PNG in relation to an extension of repayment date, from 28 January 2011 to 15 March 2011, the details of which were set out in the announcement of the Company dated 14 January 2011.

9. EXPERT AND CONSENT

The following is the qualifications of the experts whose statements have been included in this circular:

Name	Qualification
Asset Appraisal Limited	Independent professional valuer
Ernst & Young	Certified Public Accountants

Each of Asset Appraisal Limited and Ernst & Young has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or opinions or reports or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Asset Appraisal Limited and Ernst & Young had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Asset Appraisal Limited and Ernst & Young had not had any direct or indirect interests in any assets which have been, since 31 March 2012 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

10. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 5/F., Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this circular up to and including the date of the SGM:

- (a) the memorandum of association and the Bye-laws;
- (b) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;
- (c) the report by the auditors on the pro forma statement of assets and liabilities set out in Appendix III to this circular;
- (d) the valuation report on the Property prepared by Asset Appraisal Limited as set out in Appendix IV to this circular;

- (e) the interim report of the Company for the six months ended 30 September 2012;
- (f) the annual reports of the Company for the three financial years ended 31 March 2010, 2011 and 2012;
- (g) a copy of the circular dated 3 August 2012 issued by the Company pursuant to the requirements set out in Chapter 14 of the Listing Rule; and
- (h) this circular.

NOTICE OF THE SGM



WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

NOTICE IS HEREBY GIVEN that the special general meeting of Wang On Group Limited (宏安集團有限公司)* (the “**Company**”) will be held at 17/F, Edinburgh Tower, The Landmark, 15 Queen’s Road Central, Hong Kong on Friday, 11 January 2013 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution, with or without amendments, as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the acquisition by World Way Investments Limited (an indirect wholly-owned subsidiary of the Company) of the property principally comprises the Riviera Plaza located at Tsuen Wan, Hong Kong (the “**Property**”) on an “as-is” basis and with vacant possession for the vacant portion and subject to existing tenancies for the tenanted portion but including any replacement thereof or alternative at a total consideration of HK\$508,000,000, the details of which are described in the circular of the Company dated 24 December 2012 be and is hereby approved; and
- (b) the director(s) of the Company be and is/are hereby authorised to exercise all the powers of the Company and to do all things and acts and execute all documents (including under the seal of the Company) as might in their opinion be necessary, desirable or expedient in connection with the acquisition for the Property.”

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Mak Yuen Ming, Anita
Company Secretary

Hong Kong, 24 December 2012

* *For identification purpose only*

NOTICE OF THE SGM

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business:
5/F., Wai Yuen Tong Medicine Building
9 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or, if he is holder of more than one share, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
- (2) In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as practicable but in any event not later than 48 hours before the time for holding of the special general meeting or any adjournment thereof (as the case may be).
- (3) Completion and delivery of the form of proxy will not preclude members from attending and voting at the special general meeting or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy will be deemed to be revoked.
- (4) Where there are joint holders of any shares, any one of such holders may vote at the special general meeting either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the special general meeting whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holders.
- (5) The resolution proposed at the special general meeting will be voted by way of a poll by the shareholders of the Company.