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WANG ON GROUP LIMITED
(宏 安 集 團 有 限 公 司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

DISCLOSEABLE TRANSACTION
IN RELATION TO A DISPOSAL OF PROPERTY

THE DISPOSAL

The Board announces that on 30 November 2013, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser for the disposal of the Property at the Consideration of HK\$60.0 million.

The Property is located in Mongkok, Kowloon, which is currently leased to an indirect subsidiary of WYT for commercial purpose. The Company is interested in approximately 24.9% of the entire issued share capital of WYT as at the date of this announcement. Upon Completion, the Property will be delivered to the Purchaser on vacant possession.

GENERAL

As the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirement under the Listing Rules.

THE PROVISIONAL AGREEMENT

1. Date

30 November 2013

2. Parties

- i. Hovan Investments Limited, an indirect wholly-owned subsidiary of the Company, as the vendor, which is principally engaged in property holding; and
- ii. Success Bid Limited, as the purchaser.

* *For identification purpose only*

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of the Company and its connected persons and there was no previous transaction entered into between the Company and the Purchaser before the date of this announcement.

3. Assets to be disposed of

The Property, being the Front Portion, Ground Floor, Nathan Apartments, No. 510 Nathan Road, Kowloon, Hong Kong with a total saleable area of approximately 564.0 square feet, which is currently leased to an indirect subsidiary of WYT for commercial purpose for a term of three years expiring on 10 March 2014 at a monthly rent of HK\$60,000 exclusive of rates, management fee and other charges. The Company is interested in approximately 24.9% of the entire issued share capital of WYT as at the date of this announcement.

Upon Completion, the Property will be delivered to the Purchaser on vacant possession.

4. Consideration

The Consideration is HK\$60.0 million, among which, HK\$3.0 million was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement as an initial deposit, HK\$3.0 million will be paid upon entering into of the formal agreement on or before 16 December 2013 as a further deposit and the remaining balance of HK\$54.0 million will be paid upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing market price of similar properties in similar location.

5. Completion

Pursuant to the Provisional Agreement, Completion will take place on or before 8 April 2014.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in property investment and development in Hong Kong and management and sub-licensing of Chinese wet markets in Hong Kong and the PRC. It also has interests in the pharmaceutical business through its investment in WYT.

The Directors are of the view that the Disposal would benefit the Group by realising its investment in the Property and also improve the liquidity and overall financial position of the Group. Based on the net book value of the Property of HK\$27.0 million as at 30 September 2013, the Consideration of HK\$60.0 million, and other expenses in relation thereto, the Company expects to record an unaudited gain from the Disposal of approximately HK\$32.3 million upon Completion. The net proceeds (after repayment of an existing bank loan of approximately HK\$14.6 million and deducting other expenses in relation thereto) arising from the Disposal of approximately HK\$44.7 million, which will be used for general working capital of the Group.

Set out below is a summary of the net profits attributable to the Property for the two years ended 31 March 2013:

	For the year ended 31 March 2013 <i>(HK\$'000)</i>	For the year ended 31 March 2012 <i>(HK\$'000)</i>
Profit before taxation	2,727.3	3,834.5
Profit after taxation	2,650.3	3,758.3

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GENERAL

As the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirement under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	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)
“Completion”	completion of the Disposal
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total cash consideration payable by the Purchaser for the Disposal, being HK\$60.0 million
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

* *For identification purpose only*

“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	being the Front Portion, Ground Floor, Nathan Apartments, No. 510 Nathan Road, Kowloon, Hong Kong with a total saleable area of approximately 564.0 square feet
“Provisional Agreement”	the provisional sale and purchase agreement dated 30 November 2013 entered into between the Purchaser and the Vendor in relation to the Disposal
“Purchaser”	Success Bid Limited, a property holding company, which is incorporated in Hong Kong and is a third party independent of and not connected with the Company and its connected persons
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Vendor”	Hovan Investments Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company, which is principally engaged in property holding
“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 whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“%”	per cent.

By Order of the Board
Wang On Group Limited
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 2 December 2013

As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

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