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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)

**CONNECTED TRANSACTION REGARDING
ACQUISITION OF LAND IN HONG KONG**

LAND ACQUISITION

The Board is pleased to announce that, on 13 August 2014, the Project Company (a non wholly-owned subsidiary of the Company) received the Acceptance Letter confirming its successful bidding for the tender for the Land at a consideration of HK\$428 million. The Project Company is formed by Synergy Best (an indirect wholly-owned subsidiary of the Company) and Kam Wah for the development of the Land (including but not limited to participating in the tender for the Land), which is single purpose and project specific.

IMPLICATIONS UNDER THE LISTING RULES

Kam Wah is a connected person of the Company at the subsidiary level by virtue of it being an associate of Kam Wah Successful Limited, a substantial shareholder of Grandwall Investment (a non wholly-owned subsidiary of the Company). Grandwall Investment is also a project company formed solely for the development of the property project in Ma On Shan, New Territories, Hong Kong, which is single purpose and project specific. Therefore, Kam Wah constitutes a qualified connected person under Rule 14A.06(33) of the Listing Rules. The Transaction constitutes a connected transaction for the Company pursuant to Rule 14A.101 of the Listing Rules and is therefore only subject to the requirements of reporting and announcement and is exempt from the independent shareholders' approval requirement.

BACKGROUND

The Board is pleased to announce that, on 13 August 2014, the Project Company (a non wholly-owned subsidiary of the Company) received the Acceptance Letter confirming its successful bidding for the tender for the Land at a consideration of HK\$428 million. The Project Company was formed by Synergy Best (an indirect wholly-owned subsidiary of the Company) and Kam Wah for the development of the Land (including but not limited to participating in the Tender), which is single purpose and project specific.

* *For identification purpose only*

As a result of the successful tender, the Project Company will enter into a Memorandum of Agreement with the Government of the Hong Kong Special Administrative Region for the acquisition of the Land within 14 days from the date of the Acceptance Letter, with details set out below:

MEMORANDUM OF AGREEMENT

Parties

Purchaser: The Project Company, a non wholly-owned subsidiary of the Company

Vendor: The Government of the Hong Kong Special Administrative Region

Information relating to the Land

Sha Tin Town Lot No. 598 located at Hang Kwong Street, Ma On Shan, Sha Tin, New Territories, Hong Kong.

The Land has a site area of about 3,100 square metres. The total gross floor area of any building or buildings erected or to be erected on the site will not be less than 6,415 square metres and will not exceed 10,692 square metres.

The Land is a vacant site. It is intended that the Land will be developed for private residential purposes. It is presently estimated that the construction of the property to be erected on the Land will take approximately three years.

Consideration:

HK\$428 million

The consideration for the Land was the highest bid at the public auction held on 13 August 2014 in Hong Kong. The Directors (including the independent non-executive Directors) consider that the consideration reflects the current market price of the Land.

A deposit of HK\$25 million was paid on 13 August 2014 upon the date of the Acceptance Letter as part payment of the consideration for the Land. The balance of the consideration in the sum of HK\$403 million will be paid within 28 days of the date of the Acceptance Letter.

Each of Synergy Best and Kam Wah will make the capital injection to the Project Company in proportion to their respective shareholdings according to the funding need of the Project Company for the development of the Land, which is estimated to be approximately HK\$1 billion (including the consideration of the Land). The capital injection to be made by Synergy Best will be funded by the internal resources and bank borrowing of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company 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 Wai Yuen Tong Medicine Holdings Limited.

Kam Wah is principally engaged in property development.

As the Group has already formed a joint venture with Kam Wah Successful Limited (a company under the same common control as Kam Wah) to participate in, and win a bid for the land known as Sha Tin Town Lot No. 599 located at Ma Kam Street, Ma On Shan, Sha Tin, New Territories, Hong Kong, which is adjacent to the Land (Sha Tin Town Lot No. 598 located at Hang Kwong Street, Ma On Shan, Sha Tin, New Territories, Hong Kong) in June 2014, the Board considers that it would be of commercial benefits to the Group to further cooperate with Kam Wah for the development of the Land. Given the proximity of the two lands and the superior geographical location with good ancillary facilities nearby, the Board considers that the Land is of good development potential. The Directors also believe that the acquisition of the Land is in the best interest of the Company as it will further increase the Company's land portfolio and enhance the overall profitability of the Company.

The Directors (including the independent non-executive Directors) are of the view that the terms of Transaction are on normal commercial terms and fair and reasonable as far as the Company and the Shareholders are concerned and thus the Transaction is in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Kam Wah is a connected person of the Company at the subsidiary level by virtue of it being an associate of Kam Wah Successful Limited, a substantial shareholder of Grandwall Investment (a non wholly-owned subsidiary of the Company). Grandwall Investment is also a project company formed solely for the development of the property project in Ma On Shan, New Territories, Hong Kong, which is single purpose and project specific. Therefore, Kam Wah constitutes a qualified connected person under Rule 14A.06(33) of the Listing Rules.

The Transaction constitutes a connected transaction for the Company pursuant to Rule 14A.101 of the Listing Rules and is therefore only subject to the requirements of reporting and announcement and is exempt from the independent shareholders' approval requirement.

DEFINITIONS

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

“Acceptance Letter”	the letter confirming the acceptance of the tender made by the Project Company issued on 13 August 2014
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose Shares are listed and traded on the main board of the Stock Exchange (Stock Code: 1222)
“Director(s)”	the directors of the Company

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“Grandwall Investment”	Grandwall Investment Limited, a company incorporated in Hong Kong with limited liability owned as to 60% by the Group and 40% by Kam Wah Successful Limited (a company wholly owned by Mr. Yeung Fun Bun) in relation to a development project of land known as Sha Tin Town Lot No. 599 located at Ma Kam Street, Ma On Shan, Sha Tin, New Territories, Hong Kong
“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
“Land”	a parcel of land known as Sha Tin Town Lot No. 598 located at Hang Kwong Street, Ma On Shan, Sha Tin, New Territories, Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Kam Wah”	Kam Wah Sure Win Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by Mr. Yeung Fun Bun
“Memorandum of Agreement”	the memorandum of agreement to be entered into between the Project Company as the purchaser and The Government of the Hong Kong Special Administrative Region as the vendor relating to the Land
“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
“Project Company”	New Rich Investments Limited, a company incorporated in Hong Kong with limited liability owned as to 60% by Synergy Best and 40% by Kam Wah solely in relation to the development project on the Land
“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 622 of the Laws of Hong Kong)
“substantial shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Synergy Best”	Synergy Best Limited, a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company

“Transaction” the acquisition of the Land, the formation of the Project Company for the development of the Land and the related joint venture arrangement

“%” per cent.

By Order of the Board
Wang On Group Limited
(宏安集團有限公司)*
Tang Ching Ho
Chairman

Hong Kong, 13 August 2014

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

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