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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 REGARDING PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 26 January 2017, the Lender, an indirectly wholly-owned subsidiary of the Company, entered into the Loan Agreement to grant the Loan to the Customer of a principal amount of HK\$90,000,000 for a term of three (3) months (with an option to renew for further three (3) months) with the interest rate of 20.0% per annum.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceeds 5% and is below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

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* *For identification purpose only*

THE LOAN AGREEMENT

- Date of the Loan Agreement** : 26 January 2017
- Lender** : Fulling, a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by the Company as at the date of this announcement. The Lender is principally engaged in finance provision under the Money Lenders Ordinance.
- Borrower** : The Customer is a company incorporated under the laws of Hong Kong and is principally engaged in provision of funeral services. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customer and the Guarantor are Independent Third Parties and not connected with the Group.
- Loan amount** : HK\$90,000,000
- Interest rate** : 20.0% per annum payable on a monthly basis
- Term** : Three (3) months commencing from the Drawdown Date of the Loan, with an option to renew for further three (3) months.
- Repayment** : The principal together with the outstanding interest thereon (if any) shall, in any event, be repaid in full on or before the Final Maturity Date.
- Securities** : (i) A second legal charge in respect of a property in Kowloon with a market value of approximately HK\$605.0 million; and
(ii) a personal guarantee of the Loan amount provided by the Guarantor, a director and the ultimate beneficial owner of the Customer.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The advance in respect of the Loan was made on the basis of the Company's credit assessments made on the financial strength and repayment ability of the Customer, the securities and the relatively short term nature of the advance. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Company considers that the risks involved in the advance to the Customer are relatively low.

FUNDING OF THE LOAN

The Group will finance the Loan with its internal resources.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, Wang On Properties Limited (Stock Code: 1243); and (iii) manufacturing and/or retailing of pharmaceutical and health food products through its non wholly-owned listed subsidiary, Wai Yuen Tong Medicine Holdings Limited (Stock Code: 897). The Lender is an indirectly wholly-owned subsidiary of the Company and a company incorporated in Hong Kong with limited liability which is principally engaged in the business of provision of finance.

Taking into account the principal business activities of the Group, the grant of the Loan to the Customer is in the ordinary and usual course of business of the Group. The terms of the Loan Agreement were negotiated on an arm's length basis between the Lender and the Customer. The Directors are of the view that the terms of the Loan Agreement are entered into on normal commercial terms based on the Company's credit policy. Taking into account the satisfactory financial background of the Customer, the Loan is secured and that a stable revenue and cash inflow from the interest income is expected, the Directors consider that the terms of the Loan Agreement are on normal commercial terms, fair and reasonable and the entering into the Loan Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The transaction contemplated under the Loan Agreement constitutes a discloseable transaction for the Company as one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Agreement exceeds 5% and is below 25%. Therefore, the transaction is subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Availability Period”	the period commencing from the date of the Loan Agreement and ending on the earliest of (a) the date falling one month from the date of the Loan Agreement; (b) the date on which the Loan is cancelled pursuant to the Loan Agreement; or (c) terminated under the provision of the Loan Agreement
“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, a 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: 1222)

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“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Customer”	the borrower, being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Director(s)”	the directors of the Company
“Drawdown Date”	the date on which the Loan is drawn down
“Final Maturity Date”	the date falling six (6) months from the date of the Drawdown Date
“Group”	the Company together with its subsidiaries
“Guarantor”	an independent third party individual, who is a director and the ultimate beneficial owner of the Customer
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s)
“Lender” or “Fulling”	Fulling Limited, a company incorporated in Hong Kong with limited liability and is an indirectly wholly-owned subsidiary of the Company as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a secured loan in the amount of HK\$90,000,000 granted by the Lender to the Customer
“Loan Agreement”	the loan agreement dated 26 January 2017 entered into between the Lender and the Customer pursuant to which the Lender agreed to advance the Loan to the Customer
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“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
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the issued 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)
“%”	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, 26 January 2017

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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