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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  
RENEWAL OF FINANCIAL ASSISTANCE**

**RENEWAL OF FINANCIAL ASSISTANCE**

Reference is made to the announcement of the Company dated 26 January 2017 in relation to the First Loan Agreement.

On 26 July 2017, the Lender, an indirectly wholly-owned subsidiary of the Company, entered into the Renewal Agreement to renew the First Loan of the principal amount of HK\$90,000,000 with the Customer at an interest rate of 18% per annum for a term of three (3) months (with an option to renew for further three (3) months).

**IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Renewal 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 Renewal Agreement exceeds 5% and is below 25%, and is only subject to the reporting and announcement requirements under the Listing Rules.

Reference is made to the announcement of the Company dated 26 January 2017 in relation to the First Loan under the First Loan Agreement.

\* *For identification purpose only*

## RENEWAL OF FINANCIAL ASSISTANCE

	<b>First Loan Agreement</b>	<b>Renewal Agreement</b>
<b>Date of agreement</b>	: 26 January 2017	26 July 2017
<b>Lender</b>	: Fulling, a company incorporated in Hong Kong with limit liability and is indirectly wholly owned by the Company as at the date of this announcement. The Lender is principally engaged in treasury management under the Money Lenders Ordinance	
<b>Borrower</b>	: 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 its ultimate beneficial owner) and the Guarantor are Independent Third Parties and not connected with the Group. Save as disclosed above, there is no prior transaction entered into between the Group and the Customer and/or its ultimate beneficial owner which is required to be aggregated with the Renewal Agreement pursuant to the Listing Rules.	
<b>Loan amount</b>	: HK\$90,000,000	
<b>Interest rate</b>	: 20.0% per annum payable on a monthly basis	18.0% per annum payable on a monthly basis
<b>Term</b>	: Three (3) months commencing from the date of the Renewal Agreement, with an option to renew for further three (3) months	
<b>Repayment</b>	: The principal together with the outstanding interests thereon (if any) shall, in any event, be repaid in full on or before the Final Maturity Date	
<b>Securities</b>	: (i) a second legal charge in respect of a property with a market value of approximately HK\$605 million; and  (ii) a personal guarantee of the Renewed Loan amount provided by the Guarantor, a director and the ultimate beneficial owner of the Customer	

## **INFORMATION ON THE CREDIT RISK RELATING TO THE RENEWED LOAN**

The renewal of the Renewed Loan was made on the basis of the Company's credit assessments made on the financial strength, repayment record and repayment ability of the Customer, the securities and the relatively short term nature of the renewal of the Renewed Loan. 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 renewal of the Renewed Loan are relatively low.

## **FUNDING OF THE RENEWED LOAN**

The Group had financed the Renewed Loan with its internal resources.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWAL AGREEMENT**

The Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through its 75%-listed non wholly-owned subsidiary, Wang On Properties Limited (Stock Code: 1243); and (iii) manufacturing and/or retailing of pharmaceutical and health food products through its 51.3%-listed non wholly-owned 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 treasury management under the Money Lenders Ordinance.

Taking into account the principal business activities of the Group, the renewal of the Renewed Loan to the Customer is in the ordinary and usual course of business of the Group. The terms of the Renewal 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 Renewal 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 Renewed 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 Renewal Agreement are on normal commercial terms, fair and reasonable and the entering into the Renewal Agreement is in the interests of the Company and the Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The transaction contemplated under the Renewal 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 Renewal 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:

“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)
“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
“Final Maturity Date”	the date falling six (6) months from the date of the Renewal Agreement
“First Loan”	a secured loan in the amount of HK\$90,000,000 granted by the Lender to the Customer under the First Loan Agreement
“First 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 First Loan to the Customer

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“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
“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
“Renewal Agreement”	the renewal agreement dated 26 July 2017 entered into between the Lender and the Customer pursuant to which the Lender agreed to renew the First Loan to the Customer for a term of three (3) months (with an option to renew for further three (3) months)
“Renewed Loan”	a secured loan in the amount of HK\$90,000,000 renewed by the Lender to the Customer under the Renewal Agreement

“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 July 2017

*As at the date of this announcement, the Board of the Company 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, Justin, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.*

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