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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

Reference is made to the announcement of the Company dated 13 September 2016 in relation to the First Loan Agreement.

On 13 September 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\$150,000,000 with the Customer at an interest rate of 9.75% per annum for a term of twelve (12) 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 13 September 2016 in relation to the First Loan under the First Loan Agreement.

* For identification purpose only

PROVISION OF FINANCIAL ASSISTANCE

	First Loan Agreement	Renewal Agreement
Date of agreement	: 13 September 2016	13 September 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 treasury management under the Money Lenders Ordinance.	
Borrower	: The Customer, a company incorporated in Hong Kong with limited liability, is principally engaged in property investment. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the Customer (also being the Guarantor of the Renewed Loan) is an Independent Third Party 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.	
Loan amount	: HK\$150,000,000	
Interest rate	: 9.75% per annum payable on a monthly basis	
Term	: Twelve (12) months commencing from the date of the Renewal Agreement	
Repayment	: Interest is payable on a monthly basis and the principal shall be repaid in full on or before the Final Maturity Date.	
Securities	: (i) A first legal charge in respect of one (1) shop and two (2) car parking spaces located in Quarry Bay, respectively (the “ First Legal Charge ”); (ii) a second legal charge in respect of four (4) storeys of a commercial building located in Wanchai; (iii) a personal guarantee of the First Loan/Renewed Loan provided by the Guarantor; (iv) share pledges on (a) the total issued share capital of the Customer held by the Guarantor; and (b) the total issued share capital of a company incorporated in Hong Kong with limited liability jointly held by the Guarantor and another Independent Third Party, respectively; and (v) rental assignment against the premises charged under the First Legal Charge.	

INFORMATION ON THE CREDIT RISK RELATING TO THE 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 has 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 56.54%-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” or “Borrower”	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 twelve (12) months from the date of the Renewal Agreement
“First Loan”	a secured loan in the amount of HK\$150,000,000 granted by the Lender to the Customer under the First Loan Agreement
“First Loan Agreement”	the loan agreement dated 13 September 2016 entered into between the Lender and the Customer pursuant to which the Lender agreed to advance the First Loan to the Customer
“Group”	the Company together with its subsidiaries
“Guarantor”	an Independent Third Party individual, who is the sole legal and ultimate beneficial owner, and a director, 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

* For identification purpose only

“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 13 September 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 twelve (12) months
“Renewed Loan”	a secured loan in the amount of HK\$150,000,000 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, 13 September 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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