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WANG ON GROUP LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTIONS

On 5th July, 2002, WJL, an indirect wholly-owned subsidiary of the Company, has entered into the Tenancy Agreements with COI. Pursuant to the Tenancy Agreements, WJL has agreed to let the Premises to COI, for an aggregate rental of approximately HK$1.31 million, HK$1.80 million and HK$1.73 million for the three years ending 31st March 2005, commencing from 9th July 2002 and expiring on 15th March 2005 (both dates inclusive).

COI is directly owned as to 50.1% by WCM and as to 49.9% by SFS. As SFS is an associate of two directors of COI, COI is a connected person of the Company under the Listing Rules. Accordingly, the Tenancy Agreements and the transactions contemplated therein constitute connected transactions for the Company under the Listing Rules.

As the total consideration for the Tenancy Agreements is less than the higher of HK$10,000,000 or 3 per cent. of the consolidated net tangible assets of the Group, these transactions are only subject to the disclosure requirement as set out in paragraph 14.25(1) of the Listing Rules and details of the transactions will be included in the next published annual report and accounts of the Company.

The Tenancy Agreements have been negotiated on arm's length basis and on normal commercial terms. The Directors consider that the terms of the Tenancy Agreements are fair and reasonable.

TENANCY AGREEMENTS

Date

5th July, 2002

Parties

Licensor : WJL, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company; and

Licensee : COI, a company incorporated in Hong Kong which is directly owned as to 50.1% by WCM and as to 49.9% by SFS.

Premises

Three pork stalls Nos. K13, K76 and K71&74, with gross floor areas of approximately 323 sq.ft., 323 sq.ft. and 355 sq.ft. respectively, situated at Kai Tin (Allmart) Chinese Market, G/F., Kai Tin Shopping Centre, Kai Tin Estate, Lam Tin, Kowloon.

Term

For a term commencing from 9th July, 2002 and expiring on 15th March, 2005 (both dates inclusive).

Rental

At a monthly rental of HK$50,000 per stall throughout the term of the Tenancy Agreements. The following table sets out the total rental to be received by WJL for the three-year ending 31st March, 2005:

	Year ending 31st March,		
	2003	**2004**	**2005**
Rental	HK$1,311,291	HK$1,800,000	HK$1,725,000

REASON FOR THE TENANCY AGREEMENTS

The Group is principally engaged in the management of Chinese wet markets, car parks and shopping centres, property investment in Hong Kong, and manufacturing and sale of Chinese medicine, herbs and other medicine products. The Directors consider that the Tenancy Agreements will benefit the Group as it allows the Group to lock in good quality tenants in the Chinese wet markets managed by the Group.

The terms of the Tenancy Agreements are arrived at after arm's length negotiation and are on normal commercial terms. The rental of the Premises are determined with reference to the open market rent in the Premises. The Directors consider that the terms of the Tenancy Agreements are fair and reasonable.

GENERAL

COI is directly owned as to 50.1% by WCM and as to 49.9% by SFS. As SFS is an associate of two directors of COI, COI is a connected person of the Company under the Listing Rules. Accordingly, the Tenancy Agreements and the transactions contemplated therein constitute connected transactions for the Company under the Listing Rules.

As the total consideration for the Tenancy Agreements is less than the higher of HK$10,000,000 or 3 per cent. of the consolidated net tangible assets of the Group, these transactions are only subject to the disclosure requirement as set out in paragraph 14.25(1) of the Listing Rules and details of the transactions will be included in the next published annual report and accounts of the Company.

DEFINITIONS

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

"COI"	China Ocean Investments Limited, a company incorporated in Hong Kong which is directly owned as to 50.1% by WCM and as to 49.9% by SFS
"Company"	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
"Directors"	the directors, including the independent non-executive directors, of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars
"Listing Rules"	Rules Governing the Listing of securities on The Stock Exchange of Hong Kong Limited
"Premises"	Three pork stalls Nos. K13, K76 and K71&74, with gross floor areas of approximately 323 sq.ft., 323 sq.ft. and 355 sq.ft. respectively, situated at Kai Tin (Allmart) Chinese Market, G/F., Kai Tin Shopping Centre, Kai Tin Estate, Lam Tin, Kowloon
"SFS"	Sun Foo Sing Development Limited, a company incorporated in Hong Kong which is held as to 80% by two directors of COI
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Tenancy Agreements"	Three tenancy agreements dated 5th July, 2002 entered into between WJL and COI in respect of the Premises

"WCM"	Wang On Commercial Management Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
"WJL"	Wang On Majorluck Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company

By Order of the Board
Wang On Group Limited
Tang Ching Ho
Chairman and Managing Director

Hong Kong, 5th July, 2002

Please also refer to the published version of this announcement in The Standard.