
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wang On Group Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability, whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(incorporated in Bermuda with limited liability)

(stock code : 1222)

DISCLOSEABLE TRANSACTION

ACQUISITION OF PROPERTY

* *For identification purposes only*

CONTENTS

	<i>Page</i>
Definitions	1
Responsibility Statement	3
Letter from the Board	
Introduction	4
The Agreement	5
Reasons for the Acquisition	6
Information on the Group	7
Discloseable Transaction	7
Additional Information	7
Appendix – General Information	8

DEFINITIONS

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

“Acquisition”	the acquisition of the Property pursuant to the Agreement
“Agreement”	the provisional agreement for sale and purchase dated 26 March 2004, entered into between the Vendor, the Purchaser and the Property Agent relating to the Acquisition
“associates”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange
“Consideration”	HK\$103,800,000
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules
“Latest Practicable Date”	16 April 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in the circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Letter”	an offer letter dated 19 March 2004 and issued by the Lands Department of the Hong Kong SAR to the Vendor in relation to a proposed land exchange for residential development concerning the Property
“PRC”	the People’s Republic of China
“Property”	Lot No. 1476 in DD 189 – to be known as STTL No. 465

DEFINITIONS

“Property Agent”	Hing Yip Pacific Limited, which and its beneficial owner(s) are Independent Third Parties
“Purchaser”	Charter Golden Design and Contracting Limited, an indirect wholly owned subsidiary of the Company
“SFO Ordinance”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Head Land Promotion Limited, which and its beneficial owner(s) are Independent Third Parties

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(incorporated in Bermuda with limited liability)

(stock code : 1222)

Executive Directors:

Mr. Tang Ching Ho

(Chairman and Managing Director)

Ms. Yau Yuk Yin (Deputy Chairman

and Deputy Managing Director)

Mr. Chan Chun Hong, Thomas

Independent Non-executive Directors:

Dr. Lee Peng Fei, Allen, CBE, JP

Mr. Wong Chun, Justein, MBE, JP

Dr. Siu Yim Kwan, Sidney, S.B. St.J.

Registered Office:

Clarendon House

2 Church Street

41 Cedar Avenue

Hamilton HM 11

Bermuda

*Head office and principal
place of business:*

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

20 April 2004

*To the shareholders and holders
of the share options*

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

On 30 March, 2004, the Directors announced that the Purchaser, an indirect wholly-owned subsidiary of the Company, had entered into the Agreement with, among other, the Vendor, which and its beneficial owner(s) are Independent Third Parties that involved the Acquisition.

The purpose of this circular is to give you further information regarding the Acquisition which constitutes a discloseable transaction for the Company for the purposes of the Listing Rules.

* For identification purposes only

LETTER FROM THE BOARD

THE AGREEMENT

Date : 26 March 2004

Parties : Vendor : Head Land Promotion Limited, which and its beneficial owners are Independent Third Parties

Purchaser : Charter Golden Design and Contracting Limited, an investment holding company and an indirect wholly owned subsidiary of the Company

Property Agent : Hing Yip Pacific Limited, which and its beneficial owners are Independent Third Parties

Property : Lot No. 1476 in DD 189 – to be known as STTL No. 465

Consideration : The consideration of HK\$103,800,000 was agreed after arm's length negotiations between the Vendor and the Purchaser by reference to an internal assessment by the Purchaser of the current market value of properties for residential use in the market in the Shatin area and shall be payable in cash as follows:

- (i) HK\$5,000,000 on the signing of the Agreement;
- (ii) HK\$15,380,000 on the signing of the formal agreement for sale and purchase, of which HK\$10,000,000 shall be applied by the Vendor in part payment of the land premium in respect of the Property; and
- (iii) The balance on Completion

As at the Latest Practicable Date, the Purchaser has paid an aggregate sum of HK\$20,380,000 to the Vendor.

Terms : The Agreement is not subject to any conditions precedent.

The Vendor and the Purchaser has entered into a formal agreement for sale and purchase of the Property on 8 April 2004. Completion of the sale and purchase shall take place on or before 8 July 2004 (If the Government Grant in respect of STTL No. 465 is not issued on or before 8 July 2004, completion of the sale and purchase shall be postponed for a period of 4 months after 8 July 2004. If the Government Grant is still not issued within the said 4 months, the Purchaser may request for an extension of completion of a further period of 6 months on entering into a supplemental agreement with the Vendor. Other than the reasons mentioned above, if the Agreement shall not be completed on or before 8 July 2004 by reason of the default by any of them, the innocent party shall have a cause of action against the defaulting party). The Agreement provides that in the event the Purchaser fails to complete the transaction, all the deposits paid by the Purchaser shall be forfeited to the Vendor.

LETTER FROM THE BOARD

The Vendor is responsible for the payment of the land premium of HK\$29,890,000 to the Hong Kong Government in respect of the Property.

The Vendor has procured two of its directors to give a personal guarantee and undertaking for the due observance and performance of the terms and conditions of the Offer Letter and the terms and conditions of the formal agreement for sale and purchase of the Property by the Vendor.

The Vendor shall prove a good title to the Property before Completion and vacant possession of the Property shall be delivered to the Purchaser on Completion. The Vendor has not yet proved a good title to the Property but executed the acceptance letter issued from the Lands Department of the Hong Kong SAR on 14 April 2004 and paid 10% of the premium amounting to HK\$2,989,000.00 for the grant of STTL No. 465 on the surrender of Lot No. 1476 in D. D. 189. In the event of cancellation of the sale and purchase due to the failure of the Vendor to prove a good title to the Property, all the deposits and part payments paid to the Vendor by the Purchaser shall be refunded to the Purchaser forthwith but without any interest, compensation or costs.

In consideration of the services rendered by the Property Agent, the Property Agent shall receive a 1% commission (i.e. HK\$1,038,000) from the Vendor and a 0.5% commission (i.e. HK\$519,000) from the Purchaser.

REASONS FOR THE ACQUISITION

The Property, located in Sha Tin Heights Road, Shatin, New Territories, is a piece of leasehold land, subject to payment of the land premium, to be granted by the Lands Department of the Hong Kong SAR for private residential purposes with a site area of approximately 4,560 square metres with plot ratio of 0.568 and a maximum gross floor area of 2,592 square metres. The term of the lease of the Property is 50 years from the date of agreement of the grant and the building covenant is 36 months from the date of the agreement of the grant. The Group currently plans to develop the Property by itself into a low density residential area, depending on the then market conditions, for sale and/or rental.

The Group has expertise and experience in building construction and properties investment in Hong Kong. Prior to the property downturn in or about 1997, the Group had involved as contractors in residential property development projects in Hong Kong. As the Directors are optimistic of the upturn of Hong Kong's economy and property market, the Acquisition of the Property represents a milestone for the Group to diversify into the property development business.

The Directors consider the Consideration, taking into account of the estimated construction costs is comparable to current market value of properties for residential use in the market in the Shatin area and the terms of the Acquisition are fair and reasonable and the Acquisition is made in the best interest of the Group. The Acquisition will be funded by the Company's internal resources and bank borrowings. The Directors consider that the Acquisition will not have significant effects on the assets and liabilities of the Group and the Group will have adequate working capital after the Acquisition.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The Group is principally engaged in the commercial management of Chinese wet markets, shopping centers, car parks, retail business and property investment.

DISCLOSEABLE TRANSACTION

The Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendix to this circular.

Yours faithfully,
For and on behalf of
Wang On Group Limited
Chan Chun Hong, Thomas
Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of each Director or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies to be notified to the Company and the Stock Exchange, were as follows:

Interests in shares

Name of Director	Capacity in which such interests are held	Number of shares of the Company (Note 1)	Approximate % of the issued share capital
Mr. Tang Ching Ho ("Mr. Tang")	Corporate (Note 2)	2,247,227(L)	1.54%
	Personal	1,268,355(L)	0.87%
	Family (Note 3)	1,268,354(L)	0.87%
	Other (Note 4)	25,563,463(L)	17.52%
Ms. Yau Yuk Yin ("Ms. Yau")	Personal	1,268,354(L)	0.87%
	Family (Note 5)	29,079,045(L)	19.92%

Notes:

- The letter "L" denotes a long position in shares.
- Mr. Tang was interested in these shares through Caister Limited, a company which is wholly and beneficially owned by him.
- Mr. Tang was taken to be interested under the SFO in those shares in which his spouse, Ms. Yau, was interested.
- Agreements (the "Agreements") were entered into between Middlemore Limited, a company wholly and beneficially owned by Mr. Tang, and (i) Ms. Tang Mui Fong; (ii) Ms. Tang Mui Fun and (iii) Mr. Yau Yuk Tong, all being the relatives of Mr. Tang, as a result of which, and for the purpose of sections 317(1)(a) and 318 of the SFO, Mr. Tang was taken to be interested in the shares owned by them.
- Ms. Yau was taken to be interested under the SFO in those shares in which her spouse, Mr. Tang, was interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of shareholder	Number of shares of Wang On (Note 1)	Approximate % of the issued share capital
Caister Limited	30,347,399(L) (Note 2)	20.79%
Ms. Tang Mui Fong	30,347,399(L) (Note 2)	20.79%
Mr. Yau Yuk Tong	30,347,399(L) (Note 2)	20.79%
Ms. Tang Mui Fun	30,347,399(L) (Note 2)	20.79%
Ms. Chan Yuk Kuen (Ms. Chan)	30,347,399(L) (Note 3)	20.79%

Notes:

- The letter "L" denotes a long position in shares.
- Pursuant to the Agreements, Caister Limited, Ms. Yau, Ms. Tang Mui Fong, Mr. Yau Yuk Tong and Ms. Tang Mui Fun were taken to be interested in the 30,347,399 shares for the purpose of sections 317(1)(a) and 318 of the SFO.
- Ms. Chan was taken to be interested under the SFO in those shares in which her spouse, Mr. Yau Yuk Tong was interested.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors knows of any person (not being a Director or chief executive of the Company) who had an interest or short position in shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

4. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group (excluding contracts expiring or determinable by the Company within one year without payment of compensation other than statutory compensation).

6. GENERAL

- a. The company secretary of the Company is Mr. Chan Chun Hong, Thomas. He graduated from the Hong Kong Polytechnic University with a degree in accountancy. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of The Hong Kong Society of Accountants.
- b. The English text of this circular shall prevail over the Chinese text in case of inconsistency.