
IMPORTANT

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your 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, licensed dealer or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

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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

PURCHASE OF PROPERTIES

28 September 2004

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following terms shall have the following meanings:

“Agreements”	the provisional sale and purchase agreements dated 7 September 2004 entered into between the Vendor and the respective Purchasers in relation to the sale and purchase of the Properties
“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Company”	Wang On Group Limited, a company incorporated in Bermuda and the shares of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	24 September 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	four residential units of Parc Palais agreed to be purchased by the Purchasers pursuant to the Agreements
“Purchasers”	Easy Kingdom Limited, Parking Lot Investments Limited, Wang To Investments Limited and Full Gainer Investment Limited, all of which are wholly-owned subsidiaries of the Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Grace Sign Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Registered Office:

Clarendon House

2 Church Street

41 Cedar Avenue

Hamilton HM 11

Bermuda

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.

Mr. Siu Kam Chau

Head office and principal

place of business:

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

28 September 2004

To the Shareholders

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION PURCHASE OF PROPERTIES

INTRODUCTION

The Directors announced on 8 September 2004 that the Company acquired four residential units of Parc Palais, a residential property project newly constructed and located at 18 Wylie Road, King's Park, Kowloon, Hong Kong through the Purchasers which entered into the Agreements with the Vendor on 7 September 2004.

The transaction contemplated under the Agreements in aggregate constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to provide you with further information on the purchase of the Properties.

* For identification purpose only

LETTER FROM THE BOARD

The Vendor with its principal business engaging in property development and investment is the developer of Parc Palais. To the best knowledge of the Company, the Vendor and its ultimate beneficial owners are independent third parties not connected with the Company as defined under the Listing Rules.

The Properties comprises (a) Unit B, 21st Floor, Block 7 (with gross floor area of approximately 1,223 square feet), (b) Unit A, 27th Floor, Block 9 (with gross floor area of approximately 1,731 square feet), (c) Unit D, 28th Floor, Block 6 (with gross floor area of approximately 1,062 square feet) and (d) Unit D, 29th Floor, Block 6 (with gross floor area of approximately 1,062 square feet) of Parc Palais. The Properties do not involve any carparks.

The aggregate consideration for the purchase of the Properties amounts to approximately HK\$30.9 million, of which approximately HK\$1.5 million was paid as deposits upon signing of the Agreements, approximately HK\$1.5 million shall be payable on or before 11 November 2004, approximately HK\$1.5 million shall be payable on or before 10 January 2005 and approximately HK\$26.4 million shall be payable upon completion on or before 10 March 2005.

The consideration has been determined with reference to the market value of Parc Palais and after arm's length negotiations between the Vendor and the Company. The consideration is financed by internal resources of the Group and possible bank borrowings. The Directors confirm that taking into account payment of the consideration, the Group will have sufficient working capital for the operation of its business even if the consideration is all paid by the internal resources of the Company. The formal sale and purchase agreements were signed between the relevant parties on 10 September 2004.

REASONS FOR AND BENEFITS OF THE PURCHASE OF THE PROPERTIES

The Group is principally engaged in the management and sub-licensing of Chinese wet markets, shopping centres and car parks, retail business, property development and property investment. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited, a company listed on the Stock Exchange.

The purchase of the Properties is in line with the principal business of property development and property investment of the Group. The Properties will be held as investment property and the Group currently does not intend to use the Properties for rental purpose.

The Board, including the independent non-executive Directors, is of the view that the purchase of the Properties will enhance property portfolios of the Company. The Directors are optimistic about the property market in Hong Kong due to the recent upturn of the property market and thus consider that the purchase of the Properties is in the interest of the Company and its Shareholders and the terms of the Agreements are on normal commercial terms, which are fair and reasonable as far as the shareholders of the Company are concerned.

Upon completion of the purchase of the Properties, the Group's fixed assets will increase while current assets will decrease in proportion to the amount of the aggregate consideration funded from internal resources and liabilities will increase in the proportion to the amount of the aggregate consideration funded from bank borrowings.

LETTER FROM THE BOARD

GENERAL

As at the date of this circular, the Directors 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, Dr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

Yours faithfully,
For and on behalf of
Wang On Group Limited
Tang Ching Ho
Chairman and Managing 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 corporations (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, Karen 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(l)(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 5% 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 the Company (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, Karen	30,347,399 (L) (Note 2)	20.79%
Ms. Chan Yuk Kuen ("Ms. Chan")	30,347,399 (L) (Note 3)	20.79%

Notes:

1. The letter "L" denotes a long position in shares.
2. Pursuant to the Agreements, Caister Limited, Ms. Tang Mui Fong, Mr. Yau Yuk Tong and Ms. Tang Mui Fun, Karen were taken to be interested in the 30,347,399 shares for the purpose of sections 317(1)(a) and 318 of the SFO.
3. 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 5% 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

1. The registered office of the Company is at Clarendon House, 2 Church Street, 41 Cedar Avenue, Hamilton HM 11, Bermuda.
2. The head office and principal place of business of the Company in Hong Kong is at 5th Floor, Wai Yuen Tong Medicine Building, 9 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
3. The qualified accountant of the Company is Mr. Tang Kam Shing, Roland, CPA.
4. The company secretary of the Company is Ms. Li Yu Lian, Kelly. She is an associate member of The Institute of Chartered Secretaries and Administrators.
5. The branch share registrar of the Company in Hong Kong is Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
6. The English text of this circular shall prevail over the Chinese text in the case of inconsistency.