
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.

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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

ACQUISITION OF PROPERTY

5 May 2005

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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 13 April 2005, entered into between the Vendor and the Purchaser relating to the Acquisition;
“associates”	has the meaning ascribed thereto in the Listing Rules;
“Board”	the board of Directors of the Company;
“Company”	Wang On Group Limited, a company incorporated in Bermuda with limited liability whose shares are listed on the Stock Exchange;
“Consideration”	HK\$17,200,000;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Independent Third Party”	an independent third party not connected with any of the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or their respective associates, as defined in the Listing Rules;
“Latest Practicable Date”	29 April 2005, 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;
“Property”	Shop B, G/F, Kwong Sen Mansion, Nos. 23-33, Shui Wo Street, Kowloon, Hong Kong;
“Purchaser”	Info World Investment Limited, a property holding company and an indirect wholly-owned subsidiary of the Company;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong);
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company;

DEFINITIONS

“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Vendor”	a company which, to the best of knowledge and belief of the Directors, primarily engages in the businesses of property investment and property management which is an Independent Third Party and whose ultimate beneficial owners are Independent Third Parties.

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 in Hong Kong:

5th Floor

Wai Yuen Tong Medicine Building

9 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

5 May 2005

To the Shareholders

Dear Sir/Madam

**DISCLOSEABLE TRANSACTION
ACQUISITION OF PROPERTY**

INTRODUCTION

On 14 April 2005, the Directors announced that the Purchaser had entered into the Agreement with the Vendor, pursuant to which the Purchaser agreed to acquire from the Vendor the Property for a cash consideration of HK\$17,200,000.

The Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The purpose of this circular is to give you further information on the Acquisition.

* *For identification purpose only*

LETTER FROM THE BOARD

THE AGREEMENT

Date:

13 April 2005

Parties:

Purchaser:

Info World Investment Limited, a property holding company and an indirect wholly-owned subsidiary of the Company.

Vendor:

A company which, to the best of knowledge and belief of the Directors, primarily engages in the businesses of property investment and property management which is an Independent Third Party and whose ultimate beneficial owners are Independent Third Parties.

Property (for commercial use):

Address:

Shop B, G/F, Kwong Sen Mansion, Nos. 23-33, Shui Wo Street, Kowloon, Hong Kong.

Gross floor area:

The shop has a gross floor area of approximately 600 square feet.

Consideration:

The consideration of HK\$17,200,000 was agreed after arm's length negotiations between the Vendor and the Purchaser by reference to the current market value of properties for commercial use in the market in the adjacent areas and shall be payable in cash as follows:

- (i) HK\$400,000 on the signing of the Agreement;
- (ii) HK\$1,320,000 on the signing of the formal agreement for sale and purchase on or before 26 April 2005; and
- (iii) the balance of HK\$15,480,000 upon completion on or before 28 June 2005.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are Independent Third Parties who are independent and not being connected persons of the Company.

LETTER FROM THE BOARD

Terms:

The Vendor agrees to sell and the Purchaser agrees to purchase the Property subject to the existing tenancy, which will expire on 8 June 2006 at a monthly rental of HK\$57,880. The tenant has an option to renew the existing tenancy for two years at the prevailing market price at the time.

At completion of the sale and purchase of the Property, the Vendor will pay to the Purchaser the full amount of all deposits received from the existing tenant under the existing tenancy.

The Property is to be sold to the Purchaser by the Vendor free from any lien or encumbrances.

SOURCE OF FUND

The Acquisition will be funded approximately one-half by the Group's internal resources and the remainder by bank financing.

REASONS FOR THE ACQUISITION

Having regard to the upturn of the Hong Kong economy and the property market, the Directors consider the terms of the Acquisition are fair and reasonable and the Acquisition is in the interest of the shareholders as a whole.

The Directors consider that the Acquisition will bring an increase in the earnings of the Group arising from the rental incomes by approximately HK\$694,560 per year without significant influences to assets and liabilities of the Group.

INFORMATION ON THE GROUP

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

GENERAL INFORMATION

Your attention is also drawn to the general information as set out in this circular.

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

(a) Interests of Directors

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	Number of Shares held, capacity and nature of interest				Total	Percentage of the Company's issued share capital
	Personal Interest	Family Interest	Corporate interest	Other interest		
Mr. Tang Ching Ho	614,355	614,354 <i>(Note (a))</i>	2,247,227 <i>(Note (b))</i>	24,243,463 <i>(Note (c))</i>	27,719,399	19.34
Ms. Yau Yuk Yin	614,354	2,861,582 <i>(Note (d))</i>	–	24,243,463 <i>(Note (e))</i>	27,719,399	19.34

Notes:

- (a) Mr. Tang Ching Ho was taken to be interested in those Shares in which his spouse, Ms. Yau Yuk Yin, was interested.
- (b) Mr. Tang Ching Ho was taken to be interested in those Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested.
- (c) Mr. Tang Ching Ho was taken to be interested in those Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

- (d) Ms. Yau Yuk Yin was taken to be interested in those Shares in which her spouse, Mr. Tang Ching Ho, was interested.
- (e) Ms. Yau Yuk Yin was taken to be interested in those Shares by virtue of being a beneficiary of Tang's Family Trust.

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 corporation(s) (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 Listed Companies, to be notified to the Company and the Stock Exchange.

(b) 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 the Directors, 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	Number of Shares held	Percentage of the Company's held issued share capital
Accord Power Limited	24,243,463	16.91
Trustcorp Limited (<i>Note</i>)	24,243,463	16.91

Note:

Accord Power Limited is wholly-owned by Trustcorp Limited in its capacity as the trustee of Tang's Family Trust; accordingly, Trustcorp Limited was taken to be interested in those Shares held by Accord Power Limited.

Save as disclosed above, according to the register of interests kept by the Company under section 336 of the SFO and so far as is known to the Directors, as at the Latest Practicable Date, no other person (not being a Director or chief executive of the Company) had any interest or short position in Shares or underlying shares of the Company 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.

3. 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).

4. DIRECTORS' INTEREST IN COMPETING BUSINESS

To the best knowledge of the Directors, none of the Directors or their respective associates had any interest in a business, which competes or may compete with the business of the Group.

5. 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.

6. GENERAL

- (a) The secretary of the Company is Mr. Chan Chun Hong, Thomas. He is a fellow member of The Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants.
- (b) The qualified accountant of the Company appointed pursuant to Rule 3.24 of the Listing Rules is Mr. Tang Kam Shing, Roland, CPA.
- (c) 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.
- (d) The English text of this circular shall prevail over the Chinese text.