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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 IN RELATION TO ACQUISITION OF PROPERTY

THE PROPERTY ACQUISITION

The Board announces that on 10 July 2009, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor for the purchase of the Property at a cash consideration of HK\$30 million, which will be satisfied partially by internal resources of the Group and partially by bank borrowing.

The Property is located in Sha Tin, Hong Kong, which is currently leased to a third party independent of and not connected with the Company and its connected persons for commercial purpose. Upon Completion, the Group intends to continue to lease out the Property for generating rental income.

GENERAL

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

THE PROVISIONAL AGREEMENT

1. Date

10 July 2009

2. Parties

- i. Full Gainer Investment Limited, a property holding company and a wholly-owned subsidiary of the Company, as the purchaser; and

* For identification purpose only

- ii. China Sky (HK) Investment Limited, a property holding company and an independent third party, as the vendor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is independent of and not connected with the Company and its subsidiaries and there was no previous transaction entered into between the Company and the Vendor before the date of this announcement.

3. Assets to be acquired

The Property, being Shop B, ground floor and portion of the yard, 66, 68, 70 and 72 Tai Wai Road, Sha Tin, New Territories, Hong Kong, with a total gross floor area of approximately 1,000 square feet, which is for commercial purpose.

The Property is currently leased by the Vendor to a third party independent of and not connected with the Company and its connected persons for commercial purpose under an existing lease agreement at a monthly rental of HK\$88,000, which will be expired on 31 December 2009.

Pursuant to the Provisional Agreement, the Purchaser and the Vendor mutually agreed to enter into a new lease agreement at a monthly rental of HK\$125,000 for the three years ending 31 December 2012 or for the 36-month period commencing from the date on which the existing lessee moves out of the Property and with an option to extend the new lease agreement for further two years at a monthly rental of up to HK\$143,750.

4. Consideration

The Consideration is HK\$30 million, among which, HK\$0.9 million was paid by the Purchaser to the Vendor upon signing of the Provisional Agreement as deposit, HK\$2.1 million shall be paid upon signing of the formal agreement for the Property Acquisition on or before 24 July 2009, and the balance of HK\$27 million shall be paid upon Completion on or before 22 October 2009.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to the prevailing rental yield.

The Consideration will be satisfied partially by the Group's internal resources and partially by bank borrowing.

5. Right to terminate

Pursuant to the Provisional Agreement, the Purchaser shall have the right to terminate the Provisional Agreement, recover the deposit and claim for loss, damage and compensation, if any, in relation thereto upon the occurrence of any of the following events prior to Completion:

- (a) the Vendor amending the terms of the existing lease agreement or entering into new lease agreement(s) with the existing lessee or entering into new lease agreement(s) with new lessee(s) in relation to the Property or entering into any agreement with a third party in relation to the rights of use of the Property; or

- (b) the Vendor failing to complete any notice(s)/order(s) issued by government authorities in relation to, among others, clearance, repair, renovation and maintenance of the Property or its common areas or to pay up relevant expenses for such works resulting from any resolution(s) by the incorporated owners, management company and/or individual owners.

6. Completion

Pursuant to the Provisional Agreement, Completion is to take place on or before 22 October 2009.

REASONS FOR AND BENEFITS OF THE PROPERTY ACQUISITION

The Group is principally engaged in development and management of agricultural by-products wholesaling business in Hong Kong, management and sub-licensing of wet markets in the PRC and Hong Kong, property development, property investment, management and sub-licensing shopping centres in Hong Kong. It also has interests in the pharmaceutical business through its investments in Wai Yuen Tong Medicine Holdings Limited.

The Property is located in Sha Tin, Hong Kong, has a gross floor area of approximately 1,000 square feet and is currently leased for rental income. The Group intends to continue to lease the Property for commercial purpose after Completion for rental income. The Directors believe in the long term prospect of office/commercial properties in Hong Kong and hence consider that the Property Acquisition will strengthen the Group's recurring income base.

The Directors, including the independent non-executive Directors, consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

The transaction contemplated under the Provisional Agreement constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules.

DEFINITIONS

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

“Board”	the board of the Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1222)

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“Completion”	completion of the Property Acquisition
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the total cash consideration for the Property Acquisition, being HK\$30 million
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Property”	being Shop B, ground floor and portion of the yard, 66, 68, 70 and 72 Tai Wai Road, Sha Tin, New Territories, Hong Kong, with a gross floor area of approximately 1,000 square feet
“Property Acquisition”	the acquisition of the Property by the Purchaser pursuant to the Provisional Agreement
“Provisional Agreement”	the provisional sale and purchase agreement dated 10 July 2009 entered into between the Purchaser and the Vendor in relation to the Property Acquisition
“Purchaser”	Full Gainer Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the 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 32 of the Laws of Hong Kong)
“Vendor”	China Sky (HK) Investment Limited, which is a third party independent of and not connected with the Company and its subsidiaries
“%”	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 July 2009

As at the date of this announcement, the executive Directors are Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas, and the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Mr. Wong Chun, Justein, Mr. Siu Yim Kwan, Sidney and Mr. Siu Kam Chau.

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