

# TARGET

## Intelligence Report

VOLUME XXIV No. 111

S A T U R D A Y

May 28, 2022

**WANG ON PROPERTIES LTD:  
THIS COMPANY'S GEARING RATIO IS HEADED TO 90 PERCENT  
... AT THE VERY LEAST, IF NOT CLOSER TO 100 PERCENT !**

Wang On Properties Ltd (宏安地產有限公司) (Code: 1243, Main Board, The Stock Exchange of Hongkong Ltd) is, primarily, a property developer, its operations, being exclusively conducted in the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)**.

The Company makes the claim that it is not, just, a property developer because, inter alia, it is the beneficial owner of some properties, all of which is located in the 416 square miles that constitute the HKSAR.

The Company has been concentrating its efforts in the confines of the development of residential and commercial properties, of late, as well as, in small measure, investing in commercial and industrial properties in the hope of obtaining capital appreciation.

Wang On Properties Ltd (also referred to in numerous public announcements as, simply, '**WOP**') is legally and beneficially owned as to 75 percent of its entire Issued and Fully Paid-Up Share Capital by Wang On Group Ltd (宏安集團有限公司) (also referred to in numerous public announcements as, simply, '**WOG**'), a company, whose shares are, also, listed on the Main Board of The Stock Exchange of Hongkong Ltd, being Stock Code, Number 1222.

Messrs Tang Ching Ho (鄧清河) and Tang Ho Hong (鄧灝康), being the father and son, respectively, are the substantial shareholders of WOP, through WOG.

On Friday, February 18, 2022, Senior Managements of WOG and WOP mutually caused to make a '**JOINT ANNOUNCEMENT**' which was published and disseminated in the HKSAR with regard to the disposal of the companies' interests in a company, named '**TRUE PROMISE LTD** (祥諾有限公司).'

At Page One of this announcement, under the subheading, '**THE DISPOSAL**', one was informed:

*'The boards of directors of WOG and WOP respectively announce that on 18 February 2022, the Seller (City Arise Ltd) (an indirect wholly-owned subsidiary of WOP) entered into the Sale and Purchase Agreement with*

*the Buyer (Giant Harmony Ltd [志航有限公司]) (an indirect 50%-owned joint venture of WOP), pursuant to which the Seller conditionally agreed to sell and the Buyer conditionally agreed to purchase (a) the entire issued share capital in the Target Company (True Promise Ltd) (i.e. the Sale Share); and (b) the shareholder's loan owing by the Target Company to the Seller as at the Completion Date (i.e. the Shareholder's Loan), at the aggregate consideration of HK\$490,732,000 (subject to adjustment) subject to the terms of the Sale and Purchase Agreement.*

*'The Target Company is an indirect wholly-owned subsidiary of WOP and the sole owner of the Seed Project, which the WOP Group has recently completed its acquisition of. Upon Completion, the Target Company will cease to be a subsidiary of each of the WOG Group and the WOP Group and its financial results will no longer be consolidated into the consolidated financial statements of each of the WOG Group and the WOP Group but WOP Group will still hold an indirect 50% interest in the Target Company through the Buyer.'*

At Page Three of the February 18, 2022, announcement, under the subheading, **'BACKGROUND'**, one was informed of the following:

*'Reference is made to the Announcement of WOG and WOP dated 8 November 2021 in relation to, among other things, the formation of the joint venture in respect of the Buyer (an indirect 50%-owned joint venture of WOP) to engage in the acquisition of residential properties in Hong Kong within certain Investment Criteria as agreed with the APG JV Partner (being the owner of the remaining 50% interest in the Buyer) for development and re-development for sale.*

*'The Target Company is an indirect wholly-owned subsidiary of WOP and the sole owner of the Seed Project, which the WOP Group has recently completed its acquisition of. The board of WOP and the Buyer have both agreed that this project will fall within the Investment Criteria and on 18 February 2022, the Seller (an indirect wholly-owned subsidiary of WOP) entered into the Sale and Purchase Agreement with the Buyer in relation to the disposal of the Seed Project to the Buyer, pursuant to which the Seller conditionally agreed to sell and the Buyer conditionally agreed to purchase (a) the entire issued share capital of the Target Company (i.e. the Sale Share); and (b) the shareholder's loan owing by the Target Company to the Seller as at the Completion Date (i.e. the Shareholder's Loan), at the aggregate consideration of HK\$490,732,000 (subject to adjustment) subject to the terms of the Sale and Purchase Agreement.'*

Upon completion, True Promise Ltd ceased to be a subsidiary of either WOP or WOG, but WOP continued to hold an indirect 50-percent equity interest in True Promise Ltd via Giant Harmony Ltd, the purchaser.

At Page Five of the February 18, 2022, announcement, under the subheading, **'INFORMATION ON THE TARGET COMPANY AND THE SEED PROJECT'**, the following intelligence was provided to shareholders:

*‘The Target Company is incorporated in Hong Kong with limited liability for property holding purpose with no other major assets besides its direct interests in the Seed Project. The Target Company is an indirect wholly-owned subsidiary of WOP prior to Completion.*

*‘The Seed Project comprises the residential and commercial units located at Nos. 12-16, 18-20, 22 and 24 Ting Yip Street, Ngau Tau Kok, Kowloon, Hong Kong, with a total gross floor area of approximately 46,000 square feet, part of which is subject to existing tenancies expiring in or before April 2023 with an aggregate monthly rent of approximately HK\$80,300. The WOP Group will be retained as the asset manager of the Seed Project to provide property asset management services to the Buyer and its subsidiaries from time to time for a management fee comprising a fixed fee and a performance fee determined with reference to the performance of property projects managed by the asset manager, and it is the intention of the WOP Group to re-develop the Seed Project as residential and commercial/mixed use property for sale through the Buyer.’*

At ... [CLICK TO ORDER FULL ARTICLE](#)

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