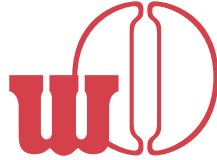


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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 1222)

**DISCLOSEABLE TRANSACTION
IN RELATION TO SUBSCRIPTION OF NOTES**

THE SUBSCRIPTION

The Board announces that on 5 February 2021, Twist Pioneer, an indirect non-wholly owned subsidiary of the Company, received a confirmation of allotment in respect of its subscription for the Notes to be issued by the Issuer in the principal amount of US\$5.0 million (equivalent to approximately HK\$38.9 million) for a total consideration of approximately US\$5.3 million (equivalent to approximately HK\$41.2 million).

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription, when aggregated with the outstanding amount of the Existing Notes, exceeds 5% but all are less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE SUBSCRIPTION

On 5 February 2021, Twist Pioneer, an indirect non-wholly owned subsidiary of the Company, received a confirmation of allotment in respect of its subscription for the Notes to be issued by the Issuer in the principal amount of US\$5.0 million (equivalent to approximately HK\$38.9 million) for a total consideration of approximately US\$5.3 million (equivalent to approximately HK\$41.2 million). A summary of certain principal terms of the Notes is set out below.

Issue Date of the Notes and Issue Size: The Notes are to be issued under an indenture governing the Issuer's existing US\$300 million 11.875% Senior Notes due 2023 issued by the Issuer on 1 June 2020 (the "**Original Notes**"). The Notes form a single series with the Original Notes. The terms of the Notes are the same as those for the Original Notes in all respects except for the issue date.

The Notes are expected to be issued on or around 10 February 2021.

Issuer: Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1777). To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Issuer is a third party independent of the Company and its connected persons.

Principal amount subscribed: US\$5.0 million (equivalent to approximately HK\$38.9 million)

Total consideration for the Notes subscribed: Approximately US\$5.3 million (equivalent to approximately HK\$41.2 million) to be settled in cash, inclusive of subscription price being 103.291% of the principal amount of the Notes subscribed, accrued interest and other costs and expenses.

Maturity date: 1 June 2023, subject to early redemption provisions as set out in the terms of the Notes.

Coupon rate: The Notes bear interest from 1 December 2020 at 11.875% per annum, payable on 1 June and 1 December of each year.

Ranking of the Notes: The Notes are general obligations of the Issuer guaranteed by certain subsidiaries of the Issuer on a senior basis subject to the terms of the indenture for the Notes. The Notes (i) rank senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; (ii) rank at least pari passu in right of payment with all other unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights pursuant to applicable law); (iii) are effectively subordinated to other secured obligations (if any) of the Issuer and the subsidiaries of the Issuer which are providing guarantees under the Notes, to the extent of the value of the assets serving as security therefor (excluding the collateral provided by the Issuer to secure the Notes); and (iv) are effectively subordinated to all existing and future obligations of the subsidiaries of the Issuer which are not providing guarantees under the Notes.

Optional redemption: The Notes may be redeemed in the following circumstances:

- (1) on or after 1 June 2022, the Issuer may redeem the Notes, in whole or in part, at a redemption price of 105.9375% plus accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time prior to 1 June 2022, the Issuer may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus a premium (which would be at least 1% of the principal amount of the Note pursuant to the offering memorandum in respect of the Subscription) as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (3) At any time and from time to time prior to 1 June 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price of 111.875% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date, with the proceeds from certain of its equity offering, subject to conditions.

Repurchase upon change of control:	Upon the occurrence of certain events constituting a change of control of the Issuer as result of which there is a decline in the rating of the Notes, the Issuer will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.
Redemption for Taxation Reason:	If the Issuer or a subsidiary guarantor would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances, then subject to certain exceptions, the Issuer may redeem the Notes, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any additional amounts accounting for certain withholding or deductions), if any, to the date fixed by the Issuer for redemption.
Events of default:	The Notes contain provisions in respect of certain events of default, following which the Notes together with any interest thereon may be declared or automatically become immediately due and payable. Such events include but are not limited to default in the payment of principal, or of any premium, on the Notes, when such payments become due, default in payment of interest which continues for 30 consecutive days, breaches of covenants, cross defaults, unpaid judgment debt and insolvency.
Collateral:	The capital stock of each initial subsidiary guarantor referred to in the offering memorandum in respect of the Notes are pledged to secure the Issuer's obligations under the Notes.
Listing:	Application will be made for the listing and quotation of the Notes on the SGX-ST. The Original Notes are already listed on the SGX-ST.
Ratings:	The Original Notes are rated B3 by Moody's Investors Service and the Issuer has represented that the Notes are expected to be rated B3 by Moody's Investors Service.

The consideration for the Subscription will be funded by internal resources of the Group.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through Wang On Properties Limited (Stock code: 1243), its 75%-owned listed subsidiary; (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (Stock code: 897), its 65.79%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited (Stock code: 149), a non-wholly-owned listed subsidiary of Wai Yuen Tong Medicine Holdings Limited.

Twist Pioneer is principally engaged in investment holding. It is a wholly-owned subsidiary of Wang On Properties Limited.

INFORMATION OF THE ISSUER

The Issuer is a company incorporated in the Cayman Islands with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange. Based on announcement issued by the Issuer, the Issuer is a property developer and property related service provider in the PRC.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Subscription forms part of the Group's treasury activities in managing its surplus liquidity and presents an opportunity for the Group to balance and diversify its investment portfolio, in addition to generating a stable return to the Group. The Group has previously acquired in 2019 the Existing Notes issued by the Issuer, i.e. 12.25% senior notes due 2022 in the principal amount of US\$0.2 million and 11.75% senior notes due 2022 in the principal amount of US\$1 million, in the aggregate principal amount of US\$1.2 million which have generated total interest of approximately US\$173,339 for the Group up to the date of this announcement. In light of the terms of the Notes including the coupon rate, the maturity date and the credit rating of the Issuer, the Directors (including independent non-executive Directors) are of the view that the terms of the Notes are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Subscription, when aggregated with the outstanding amount of the Existing Notes, exceeds 5% but all are less than 25%, the Subscription constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under 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 Directors
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Notes”	(i) 12.25% senior notes due 2022 in the principal amount of US\$0.2 million and (ii) 11.75% senior notes due 2022 in the principal amount of US\$1 million, both issued by the Issuer and which were previously acquired by the Group in 2019
“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 People’s Republic of China
“Issuer”	Fantasia Holdings Group Co., Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock code: 1777)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	11.875% senior notes due 2023 issued by the Issuer
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	the holder(s) of the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Subscription”	the subscription of the Notes in the aggregate principal amount of US\$5.0 million (equivalent to approximately HK\$38.9 million) by Twist Pioneer for a total consideration of approximately US\$5.3 million (equivalent to approximately HK\$41.2 million)
“Twist Pioneer”	Twist Pioneer Limited, an indirect non-wholly owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For illustration purposes, amounts in US\$ in this announcement have been translated into HK\$ at the rate of US\$1 = HK\$7.783 as quoted by the Hong Kong Association of Banks as of the date of this announcement.

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, 7 February 2021

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 Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.

** For identification purpose only*