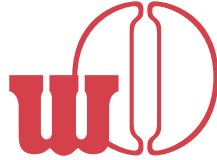


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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF THE NEW R&F NOTES
PURSUANT TO THE R&F NOTES EXCHANGE**

THE ACQUISITION

The Board announces that on 12 July 2022, the Purchaser has acquired the New R&F Notes in the aggregate notional amounts of about US\$5.2 million (equivalent to approximately HK\$40.6 million) at par value in respect of the 2027 Notes and about US\$2.1 million (equivalent to approximately HK\$16.4 million) at par value in respect of the 2028 Notes pursuant to the R&F Notes Exchange comprising:

(a) In respect of the 2027 Notes:

- (i) US\$5.0 million (equivalent to approximately HK\$39.4 million) through the exchange of the Existing 2023 Notes at par value in the same principal amount;
- (ii) approximately US\$0.15 million (equivalent to approximately HK\$1.2 million) as settlement of the unpaid and accrued interest of the Existing 2023 Notes up to but excluding 11 July 2022 by receiving the 2027 Notes in the same amount at par value; and

(b) In respect of 2028 Notes:

- (i) US\$2.0 million (equivalent to approximately HK\$15.8 million) through the exchange of the Existing 2024 Notes at par value in the same principal amount;
- (ii) approximately US\$0.08 million (equivalent to approximately HK\$0.6 million) as settlement of the unpaid and accrued interest of the Existing 2024 Notes up to but excluding 11 July 2022 by receiving the 2028 Notes in the same amount at par value.

No cash consideration was paid by the Purchaser under the R&F Notes Exchange.

LISTING RULES IMPLICATION

As the highest relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

INTRODUCTION

The Board announces that on 12 July 2022, the Purchaser has acquired the New R&F Notes in the aggregate notional amounts of about US\$5.2 million (equivalent to approximately HK\$40.6 million) at par value in respect of the 2027 Notes and about US\$2.1 million (equivalent to approximately HK\$16.4 million) at par value in respect of the 2028 Notes pursuant to the R&F Notes Exchange comprising:

(a) In respect of the 2027 Notes:

- (i) US\$5.0 million (equivalent to approximately HK\$39.4 million) through the exchange of the Existing 2023 Notes at par value in the same principal amount;
- (ii) approximately US\$0.15 million (equivalent to approximately HK\$1.2 million) as settlement of the unpaid and accrued interest of the Existing 2023 Notes up to but excluding 11 July 2022 by receiving the 2027 Notes in the same amount at par value; and

- (b) In respect of 2028 Notes:
- (i) US\$2.0 million (equivalent to approximately HK\$15.8 million) through the exchange of the Existing 2024 Notes at par value in the same principal amount;
 - (ii) approximately US\$0.08 million (equivalent to approximately HK\$0.6 million) as settlement of the unpaid and accrued interest of the Existing 2024 Notes up to but excluding 11 July 2022 by receiving the 2028 Notes in the same amount at par value.

No cash consideration was paid by the Purchaser under the R&F Notes Exchange.

INFORMATION ON THE NEW R&F NOTES

The principal terms of the New R&F Notes are summarized below:

	2027 Notes	2028 Notes
Issuer:	Easy Tactic Limited 怡略有限公司, an indirect wholly-owned subsidiary of R&F	Easy Tactic Limited 怡略有限公司, an indirect wholly-owned subsidiary of R&F
Issue date:	12 July 2022	12 July 2022
Issue size:	Approximately US\$2,203 million	Approximately US\$1,606 million
Coupon:	<p>(a) 6.50% per annum in cash; or</p> <p>(b) 7.50% per annum with payment-in-kind (“PIK”) by the 2027 Notes</p> <p>both payable in arrears semi-annually, and the Issuer has the right to elect the way of payment by PIK only in the first 18-month period commencing from the issue date.</p>	<p>(a) 6.50% per annum in cash; or</p> <p>(b) 7.50% per annum with PIK by the 2028 Notes</p> <p>both payable in arrears semi-annually, and the Issuer has the right to elect the way of payment by PIK only in the first 18-month period commencing from the issue date.</p>
Maturity date:	11 July 2027	11 July 2028

	2027 Notes	2028 Notes
Guarantors:	<p>(a) R&F (HK); and</p> <p>(b) other specified subsidiaries of R&F</p>	<p>(a) R&F (HK); and</p> <p>(b) other specified subsidiaries of R&F</p>
Security:	The capital stocks of the Issuer and certain subsidiaries of R&F have been pledged or have been caused to be pledged as security for the Issuer's obligations.	The capital stocks of the Issuer and certain subsidiaries of R&F have been pledged or have been caused to be pledged as security for the Issuer's obligations.
Keepwell/Equity interest purchase undertaking provider:	R&F	R&F
Status of the New R&F Notes:	The 2027 Notes constitute direct, unsubordinated, unconditional and secured obligations of the Issuer and the 2027 Notes shall, save for exceptions as may be provided by mandatory provisions of applicable laws, at all times rank at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer and without preference or priority among themselves.	The 2028 Notes constitute direct, unsubordinated, unconditional and secured obligations of the Issuer and the 2028 Notes shall, save for exceptions as may be provided by mandatory provisions of applicable laws, at all times rank at least <i>pari passu</i> in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer and without preference or priority among themselves.
Redemption price at maturity date:	It will be redeemed at a price of 100% of the outstanding principal amount subject to the mandatory redemption and optional redemption stated below.	It will be redeemed at a price of 100% of the outstanding principal amount subject to the mandatory redemption and optional redemption stated below.

	2027 Notes	2028 Notes
Mandatory redemption:	<p>On the following respective dates, the Issuer shall redeem the respective minimum redemption amounts as follows:</p> <ul style="list-style-type: none"> (a) the date falling 30 months after the issue date, the minimum redemption amount being 5% of the issue amount of the 2027 Notes; (b) the date falling 36 months after the issue date, the minimum redemption amount being 10% of the issue amount of the 2027 Notes; (c) the date falling 42 months after the issue date, the minimum redemption amount being 30% of the issue amount of the 2027 Notes; (d) the date falling 48 months after the issue date, the minimum redemption amount being 50% of the issue amount of the 2027 Notes; (e) the date falling 54 months after the issue date, the minimum redemption amount being 70% of the issue amount of the 2027 Notes; 	<p>On the following respective dates, the Issuer shall redeem the respective minimum redemption amounts as follows:</p> <ul style="list-style-type: none"> (a) the date falling 36 months after the issue date, the minimum redemption amount being 5% of the issue amount of the 2028 Notes; (b) the date falling 42 months after the issue date, the minimum redemption amount being 15% of the issue amount of the 2028 Notes; (c) the date falling 48 months after the issue date, the minimum redemption amount being 25% of the issue amount of the 2028 Notes; (d) the date falling 54 months after the issue date, the minimum redemption amount being 40% of the issue amount of the 2028 Notes; (e) the date falling 60 months after the issue date, the minimum redemption amount being 60% of the issue amount of the 2028 Notes; (f) the date falling 66 months after the issue date, the minimum redemption amount being 80% of the issue amount of the 2028 Notes;

2027 Notes

2028 Notes

less the amount of the 2027 Notes already redeemed, at the redemption price equal to 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date).

less the amount of the 2028 Notes already redeemed, at the redemption price equal to 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date).

Optional redemption: At any time, the Issuer may, at its option, redeem in whole or in part by giving not less than 30 nor more than 60 days' notice to the noteholder at a redemption price equal to 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date).

At any time, the Issuer may, at its option, redeem in whole or in part by giving not less than 30 nor more than 60 days' notice to the noteholder at a redemption price equal to 100% of the principal amount (plus accrued and unpaid interest up to (but not including) the redemption date).

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 2027 Notes, the Issuer must make an offer to repurchase all outstanding 2027 Notes at a purchase price in cash equal to 101% of the principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

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 2028 Notes, the Issuer must make an offer to repurchase all outstanding 2028 Notes at a purchase price in cash equal to 101% of the principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date.

Other covenant: It undertakes to apply specified amount of the net consideration from the completion of sale/disposal of the specified assets/projects, after discharging certain specified related loans and costs and expenses, to repurchase or redeem part of the 2027 Notes outstanding amount.

It undertakes to apply specified amount of the net consideration from the completion of sale/disposal of the specified assets/projects, after discharging certain specified related loans and costs and expenses, to repurchase or redeem part of the 2028 Notes outstanding amount.

Listing: Singapore Exchange Securities Trading Limited

Singapore Exchange Securities Trading Limited

THE ACQUISITION OF THE NEW R&F NOTES PURSUANT TO THE R&F NOTES EXCHANGE

Under the R&F Notes Exchange, the Purchaser has received:

In respect of the 2027 Notes:

- (a) the 2027 Notes issued on 12 July 2022 with the principal amount of US\$5.0 million (equivalent to approximately HK\$39.4 million) in exchange for the same principal amount of the Existing 2023 Notes;
- (b) the unpaid and accrued interest of the Existing 2023 Notes up to but excluding 11 July 2022 of approximately US\$0.15 million (equivalent to approximately HK\$1.2 million) by receiving the 2027 Notes issued with the same amount at par; and
- (c) a consent fee in cash in the amount of US\$5 for each US\$1,000 in the principal amount (equivalent to 0.5% of the principal amount) of the Existing 2023 Notes;

In respect of the 2028 Notes:

- (d) the 2028 Notes issued on 12 July 2022 with the principal amount of US\$2.0 million (equivalent to approximately HK\$15.8 million) in exchange for the same principal amount of the Existing 2024 Notes; and
- (e) the unpaid and accrued interest of the Existing 2024 Notes up to but excluding 11 July 2022 of US\$0.08 million (equivalent to approximately HK\$0.6 million) by receiving the 2028 Notes issued with the same amount at par; and
- (f) a consent fee in cash in the amount of US\$5 for each US\$1,000 in the principal amount (equivalent to 0.5% of the principal amount) of the Existing 2024 Notes.

Except for the New R&F Notes acquired pursuant to the R&F Notes Exchange, the Group did not hold any other notes issued by the Issuer as at the date of this announcement.

INFORMATION ON ISSUER, R&F (HK) AND R&F

According to the public information available to the Board:

- (a) the Issuer is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of R&F;

- (b) R&F (HK) is an investment holding company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of R&F; and
- (c) R&F is a joint stock listed company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange and the principal businesses carried out by its subsidiaries are development and sale of properties, property investment, hotel operations and other property development related services.

As at the date of this announcement, to the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Issuer, R&F (HK), R&F and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE COMPANY, THE GROUP AND THE PURCHASER

The Company is a company incorporated in Bermuda with limited liability and 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, property development and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.0%-owned listed subsidiary of the Company; (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (Stock Code: 897), a 65.79%-owned listed subsidiary of the Company; 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 53.37%-owned listed subsidiary of Wai Yuen Tong Medicine Holdings Limited.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

FINANCIAL EFFECTS OF THE ACQUISITION OF THE NEW R&F NOTES

Although the notional amounts of the New R&F Notes comprise the same principal amounts and the accrued and unpaid interests of the Existing R&F Notes which have been exchanged into the New R&F Notes pursuant to the R&F Notes Exchange, due to the lower coupon rate of the New R&F Notes, the interests of the New R&F Notes that will be received by the Purchaser for the period from 12 July 2022 up to (but not including) the respective maturity dates of the Existing 2023 Notes and the Existing 2024 Notes is less than the interests of the Existing R&F Notes that would have been received by the Purchaser during the respective same periods. For illustrative purpose, assuming no default in payment of interest by the Issuer, (a) in respect of the Existing 2023 Notes, there will be (i) a loss of cash interest income in the amount of about US\$0.05 million (equivalent to approximately HK\$0.35 million) being the difference between the interest that would have been received by the Purchaser from 12 July 2022 up to (but not including) 27 February 2023 (“**2023 Notes Interest**”) and the interests of the 2027 Notes (by adopting 6.50% coupon rate) that will be received by the Purchaser during the same period; or (ii) a loss of interest income in the amount of about US\$0.01 million (equivalent to approximately HK\$0.10 million) being the difference between the 2023 Notes Interest and the interests of the 2027 Notes (by adopting 7.50% PIK) that will be received by the Purchaser during the same period; and (b) in respect of the Existing 2024 Notes, there will be (i) a loss of cash interest income in the amount of about US\$0.05 million (equivalent to approximately HK\$0.43 million) being the difference between the interest that would have been received by the Purchaser from 12 July 2022 up to (but not including) 11 July 2024 (“**2024 Notes Interest**”) and the interests of the 2028 Notes (by adopting 6.50% coupon rate) that will be received by the Purchaser during the same period; or (ii) a loss of interest income in the amount of about US\$0.02 million (equivalent to approximately HK\$0.18 million) being the difference between the 2024 Notes Interest and the interests of the 2028 Notes (by adopting 7.50% PIK for the first 18 months from the issue date and 6.50% coupon rate for the remaining 6-months period) that will be received by the Purchaser during the same period.

REASONS FOR AND BENEFITS OF THE R&F NOTES EXCHANGE

The Board has considered the following factors regarding the R&F Notes Exchange:

- (a) the 2027 Notes will mature on 11 July 2027, which represents an extension of maturity of about 53 months when compared with the maturity date of the Existing 2023 Notes and the 2028 Notes will mature on 11 July 2028, which represents an extension of maturity of about 48 months when compared with the maturity date of the Existing 2024 Notes;
- (b) the unpaid and accrued interest of the Existing R&F Notes up to but excluding 11 July 2022 has received in full by the Purchaser by way of the New R&F Notes;

- (c) the consent fee of 0.5% of the principal amount of the Existing R&F Notes will be received in cash by the Purchaser;
- (d) as stated in the public announcement of R&F dated 17 June 2022:
 - (i) To enhance its liquidity position, it covenants to utilize specified amount of the net proceeds from the completion of the sale/disposal of the specified assets/projects, after discharging certain specified related loans and costs and expenses, to repurchase or redeem part of the New R&F Notes; and
 - (ii) R&F (together with its subsidiaries) have been striving to mitigate the impact from adverse market conditions, including through the extension of onshore and offshore indebtedness maturities and asset disposals. By the R&F Notes Exchange, it will allow the improvement of R&F's overall financial condition and maintain a sustainable capital structure.

After taking into account the above, the Board is of the opinion that terms of the R&F Notes Exchange are fair and reasonable and on normal commercial terms, and the R&F Notes Exchange is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As the highest relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceeds 5% but is less than 25%, the Acquisition constitutes a discloseable transaction for 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:

“2027 Notes”	6.50% or 7.50% (PIK) senior notes due on 11 July 2027 issued by the Issuer pursuant to the R&F Notes Exchange
“2028 Notes”	6.50% or 7.50% (PIK) senior notes due on 11 July 2028 issued by the Issuer pursuant to the R&F Notes Exchange

“Acquisition”	the acquisition of the New R&F Notes in the aggregate notional amounts of about US\$5.2 million (equivalent to approximately HK\$40.6 million) at par value in respect of the 2027 Notes and about US\$2.1 million (equivalent to approximately HK\$16.4 million) at par value in respect of the 2028 Notes pursuant to the R&F Notes Exchange
“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 2023 Notes”	8.125% senior notes due on 27 February 2023 in the principal amount of US\$5.0 million (equivalent to approximately HK\$39.4 million) issued by the Issuer and held by the Purchaser
“Existing 2024 Notes”	8.125% senior notes due on 11 July 2024 in the principal amount of US\$2.0 million (equivalent to approximately HK\$15.8 million) issued by the Issuer and held by the Purchaser
“Existing R&F Notes”	both the Existing 2023 Notes and the Existing 2024 Notes
“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
“Independent Third Party(ies)”	any entity(ies) or person(s) which or who is/are not a connected person of the Company within the meaning ascribed thereto under the Listing Rules

“Issuer”	Easy Tactic Limited 怡略有限公司, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of R&F
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New R&F Notes”	both the 2027 Notes and the 2028 Notes
“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
“Purchaser”	Mailful Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“R&F”	Guangzhou R&F Properties Co. Ltd.* (廣州富力地產股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2777)
“R&F (HK)”	R&F Properties (HK) Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of R&F
“R&F Notes Exchange”	the exchange of the Existing 2023 Notes held by the Purchaser into the 2027 Notes and the Existing 2024 Notes held by the Purchaser into the 2028 Notes
“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)

“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\$7.88 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)*
Tang Ching Ho
Chairman and Executive Director

Hong Kong, 13 July 2022

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie; and three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.

** For identification purpose only*