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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)

ANNOUNCEMENT

**UPDATE ON DISCLOSEABLE TRANSACTION
AMENDMENTS AND SUPPLEMENTS TO THE
TERMS AND CONDITIONS OF THE NOTES**

NOTES AMENDMENTS

References are made to the Announcement in relation to the Acquisition and the Issuer Announcement in relation to the Notes Amendments.

The Board announces that as stated in the public announcement of the Issuer dated 27 July 2022, the Issuer has obtained and accepted requisite consent from the Noteholders in relation to the Notes Amendments on 27 July 2022. The Note Amendments will become effective on the Effective Date and will be binding on all Noteholders, including Mailful Investments, Suntech Investments and Twist Pioneer.

The Noteholders, including Mailful Investments, Suntech Investments and Twist Pioneer, are not required to tender or deliver the Notes under the Notes Amendments.

LISTING RULES IMPLICATION

This announcement is made pursuant to Rule 14.36 of the Listing Rules as the Notes Amendments constitute material variations to the terms and conditions of the Notes which were previously stated in the Announcement.

INTRODUCTION

References are made to the announcement of the Company dated 6 December 2019 (the “**Announcement**”) in relation to the Acquisition and the Issuer Announcement in relation to the Notes Amendments. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board announces that as stated in the public announcement of the Issuer dated 27 July 2022, the Issuer has obtained and accepted requisite consent from the Noteholders in relation to the Notes Amendments on 27 July 2022. The Note Amendments will become effective on the Effective Date and will be binding on all Noteholders, including Mailful Investments, Suntech Investments and Twist Pioneer.

NOTES AMENDMENTS

The material amendments and supplements to the principal terms and conditions of the Notes pursuant to the Notes Amendments are summarized below:

Maturity date:	Extension of the maturity of the Notes from the extended maturity date on 12 August 2022 to 12 April 2024 subject to early redemption provisions set out in the Notes as amended and supplemented by the Notes Amendments
Coupon rate:	Reduction of the coupon rate from 11.50% per annum to 9.0% per annum which shall become effective on the Effective Date and will be payable in arrears on 12 August and 12 February of each year and the last payment of interest to be on 12 April 2024, provided that interest on the Notes will continue to accrue at 11.50% per annum until (but excluding) the Effective Date, and starting from (and including) the Effective Date, interest on the Notes will start to accrue at 9.0% per annum

Mandatory redemption:

Addition of the mandatory redemption as follows:

The Issuer shall redeem the principal amount of the Notes outstanding as of the Effective Date in the following instalments unless previously redeemed prior to the relevant redemption dates stated below:

- (i) 5% of the principal amount of the Notes on or before 12 August 2022;
- (ii) 2% of the principal amount of the Notes on or before 30 December 2022;
- (iii) 5% of the principal amount of the Notes on or before 12 February 2023;
- (iv) 5% of the principal amount of the Notes on or before 12 August 2023; and
- (v) the remaining principal amount of the Notes then outstanding on 12 April 2024,

at a redemption price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest, if any, to (but excluding) relevant redemption dates stated above, provided that the principal amount of the Notes redeemed prior to the relevant redemption date stated above shall not be reduced from the aggregate principal amount of the Notes to be redeemed on any of such redemption date.

Keepwell provider:

Addition of keepwell provider as follows:

Shenzhen SEZ Construction and Development Group Co., Ltd. (深圳市特區建設發展集團有限公司) (“**Keepwell Provider**”), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen State-owned Assets Supervision and Administration Commission, the PRC

Event of default: Addition of Keepwell Provider's failure to comply with the terms of the keepwell deed to be entered into by the Keepwill Provider as a new event of default

Other covenant: Addition of a new undertaking as follows:

Subject to the accumulated net proceeds (after payment of related fees and expenses) from the loans or other form of financing by pledging the specified assets upon the Issuer's reasonable best efforts exceeding the specified threshold, the Issuer undertakes to utilize the specified portion of the amount of such net proceeds to repurchase or redeem any of the outstanding Notes within the specified period of time.

The Noteholders, including Mailful Investments, Suntech Investments and Twist Pioneer, are not required to tender or deliver the Notes under the Notes Amendments.

Pursuant to the Notes Amendments, each of Mailful Investments, Suntech Investments and Twist Pioneer will receive a consent fee in cash in the amount of US\$10.0 for each US\$1,000 in the principal amount (equivalent to 1.0% of the principal amount) of the Notes.

Save as disclosed above, there are no other material amendments or supplements to the terms and conditions of the Notes.

PRINCIPAL AMOUNT OF THE NOTES CURRENTLY HELD BY THE GROUP

As at the date of this announcement, the Group, through Mailful Investments, Suntech Investments and Twist Pioneer, is holding the Notes in an aggregate notional amount of US\$17.0 million (equivalent to approximately HK\$134.0 million).

Except for the Notes and the 9.0% Notes, the Group did not hold any other notes issued by the Issuer as at the date of this announcement.

FINANCIAL EFFECTS OF THE NOTES AMENDMENTS

Although there will be a lower coupon rate under the Notes Amendments, due to the lower coupon rate to be applicable to the period commencing on 9 August 2022, for illustrative purpose, assuming no default in payment of interest by the Issuer, the loss of cash interest income being the difference between the interests of the Notes that would have been received by the Group for the period from 9 August 2022 up to (but excluding) the extended maturity date on 12 August 2022, and the interests of the Notes that will be received by the Group for the same period under the Notes Amendments is in an immaterial sum of approximately US\$3,500 (equivalent to approximately HK\$28,000).

INFORMATION ON THE ISSUER

The Issuer is a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1668). The Issuer and its subsidiaries are principally engaged in the development and operation of large-scale, integrated logistics and trade centers in the PRC.

As at the date of this announcement, to the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Issuer and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE GROUP

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 WOP, a 75%-owned listed subsidiary of the Company; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, 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 WYT.

Mailful Investments, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company, Suntech Investments, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WYT, and Twist Pioneer, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP, are principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE NOTES AMENDMENTS

The Board has considered the following factors regarding the Notes Amendments:

- (a) the Notes, upon the Notes Amendments, will mature on 12 April 2024, which represents an extension of maturity of about 20 months when compared with the extended maturity date on 12 August 2022;
- (b) the consent fee in cash in the amount of US\$10.0 for each US\$1,000 in the principal amount (equivalent to 1.0% of the principal amount) of the Notes will be received in cash by the Group;
- (c) as stated in the Issuer Announcement:
 - (i) the Issuer has been actively seeking to obtaining financing and working on generating sufficient cash flow to meet its financial commitments. The Notes Amendments, as part of these efforts, will enable the Issuer to, amongst other things, improve its liquidity and cash flow management by extending the maturity of the Notes and implementing the payment of principal of the Notes in instalments; and
 - (ii) Should the terms and conditions of the Notes not be amended and supplemented by the Notes Amendments, the Issuer may not be able to fully repay the principal of or interest on the Notes when they become due and payable.

After taking into account the above, the Board is of the opinion that the Notes Amendments are fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

This announcement is made pursuant to Rule 14.36 of the Listing Rules as the Notes Amendments constitute material variations to the terms and conditions of the Notes which were previously stated in the Announcement.

DEFINITIONS

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

“9.0% Notes”	9.0% senior notes due 9 October 2024 issued by Issuer in the principal amount of US\$5.0 million (equivalent to approximately HK\$39 million) held by Twist Pioneer as amended from the original 11.95% senior notes due 9 February 2023 held by Twist Pioneer
“Effective Date”	9 August 2022 or such other date may be announced by the Issuer
“Issuer Announcement”	the public announcement of the Issuer dated 21 July 2022 in relation to consent solicitation regarding, amongst other things, the proposed Notes Amendments
“Noteholders”	the registered holders of the Notes
“Notes Amendments”	the amendments and supplements to certain terms and conditions of the Notes as proposed and set forth in the consent solicitation statement of the Issuer dated 21 July 2022 in relation to seeking consents for certain amendments to, amongst the others, the Notes

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, 28 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*