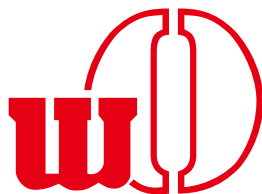


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**WANG ON GROUP LIMITED**  
**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**ANNOUNCEMENT OF FINAL RESULTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

| <b>ANNUAL FINANCIAL HIGHLIGHTS</b>  |                      |                      |               |
|---|----------------------|----------------------|---------------|
|   | <b>FY2023</b>        | <b>FY2022</b>        | <b>Change</b> |
| Revenue <i>(HK\$ million)</i>   | <b>3,603</b>         | 1,856                | +94.1%        |
| Gross profit <i>(HK\$ million)</i>  | <b>1,060</b>         | 806                  | +31.5%        |
| Net profit/(loss) attributable to<br>owners of the parent <i>(HK\$ million)</i> | <b>13</b>            | (305)                | N/A           |
| Earnings/(loss) per share <i>(HK cent)</i>                                      |                      |                      |               |
| – Basic and diluted   | <b>0.09</b>          | (2.06)               | N/A           |
| Dividend per share <i>(HK cent)</i>   |                      |                      |               |
| – Final   | <b>0.04</b>          | –                    | N/A           |
|   | <b>As at</b>         | <b>As at</b>         |               |
|   | <b>31 March 2023</b> | <b>31 March 2022</b> |               |
| Net asset value <i>(HK\$ million)</i>   | <b>9,379</b>         | 9,600                | -2.3%         |
| Net asset value per share <i>(HK\$)</i>   | <b>0.61</b>          | 0.60                 | +1.7%         |
| Gearing ratio   | <b>49.4%</b>         | 55.9%                | -6.5pp        |
| Total cash and bank balances<br><i>(HK\$ million)</i>                           | <b>1,616</b>         | 1,490                | +8.5%         |

## RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Wang On Group Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 March 2023 together with the comparative figures for the previous financial year, as follows:

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*Year ended 31 March 2023*

|   | <i>Notes</i> | <b>2023</b><br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>REVENUE</b>  |              |                                |                         |
| Revenue from contracts with customers   | 4            | <b>3,165,341</b>               | 1,267,302               |
| Interest income from treasury operation   | 4            | <b>81,039</b>                  | 143,788                 |
| Revenue from other sources  | 4            | <b>357,078</b>                 | 444,951                 |
| Total revenue   |              | <b>3,603,458</b>               | 1,856,041               |
| Cost of sales   |              | <b>(2,543,843)</b>             | (1,050,309)             |
| Gross profit  |              | <b>1,059,615</b>               | 805,732                 |
| Other income and gains, net   | 4            | <b>161,937</b>                 | 181,881                 |
| Selling and distribution expenses   |              | <b>(452,920)</b>               | (274,594)               |
| Administrative expenses   |              | <b>(513,027)</b>               | (497,028)               |
| Impairment losses on financial assets, net                                      | 5            | <b>(38,571)</b>                | (256,932)               |
| Other expenses  |              | <b>(58,252)</b>                | (195,953)               |
| Finance costs   | 6            | <b>(288,359)</b>               | (207,605)               |
| Fair value losses on financial assets at fair value through profit or loss, net |              | <b>(13,087)</b>                | (93,606)                |
| Fair value losses on owned investment properties, net                           |              | <b>(4,997)</b>                 | (83,456)                |
| Write-down of properties under development                                      |              | <b>(30,183)</b>                | –                       |
| Write-down of properties held for sale  |              | <b>(44,150)</b>                | –                       |
| Share of profits and losses of:   |              |                                |                         |
| Joint ventures  |              | <b>317,253</b>                 | 425,136                 |
| Associates  |              | <b>2,969</b>                   | 2,126                   |
| <b>PROFIT/(LOSS) BEFORE TAX</b>   | 5            | <b>98,228</b>                  | (194,299)               |
| Income tax credit/(expense)   | 7            | <b>526</b>                     | (58,464)                |
| <b>PROFIT/(LOSS) FOR THE YEAR</b>   |              | <b>98,754</b>                  | (252,763)               |

|  | <b>2023</b><br><b>HK\$'000</b> | 2022<br>HK\$'000 |
|--|--------------------------------|------------------|
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>   |                                |                  |
| <i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i> |                                |                  |
| Debt investments at fair value through other comprehensive income:   |                                |                  |
| Changes in fair value  | <b>(39,357)</b>                | (470,593)        |
| Reclassification adjustments for losses included in profit or loss:  |                                |                  |
| – impairment losses, net   | <b>26,030</b>                  | 215,230          |
| – losses on disposal/redemption, net   | <b>20,628</b>                  | 181,647          |
|  | <b>46,658</b>                  | 396,877          |
| Exchange differences on translation of foreign operations  | <b>(243,346)</b>               | 132,682          |
| Other reserves:  |                                |                  |
| Share of other comprehensive income/(loss) of joint ventures   | <b>(8,303)</b>                 | 4,571            |
| Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods     | <b>(244,348)</b>               | 63,537           |
| <i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:</i>     |                                |                  |
| Equity investments at fair value through other comprehensive income:                                       |                                |                  |
| Changes in fair value  | <b>(9,526)</b>                 | (28,189)         |
| Fair value adjustment upon transfer from owner-occupied property to investment property, net of tax        | –                              | (1,575)          |
| Net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods         | <b>(9,526)</b>                 | (29,764)         |

|  | <b>2023</b>               | 2022                  |
|--|---------------------------|-----------------------|
| <i>Note</i>  | <b><i>HK\$'000</i></b>    | <i>HK\$'000</i>       |
| <b>OTHER COMPREHENSIVE INCOME/(LOSS)<br/>FOR THE YEAR</b>                                      | <b><u>(253,874)</u></b>   | <u>33,773</u>         |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE<br/>YEAR</b>   | <b><u>(155,120)</u></b>   | <u>(218,990)</u>      |
| Profit/(loss) attributable to:   |                           |                       |
| Owners of the parent   | <b>12,784</b>             | (305,226)             |
| Non-controlling interests  | <b><u>85,970</u></b>      | <u>52,463</u>         |
|  | <b><u>98,754</u></b>      | <u>(252,763)</u>      |
| Total comprehensive income/(loss) attributable to:   |                           |                       |
| Owners of the parent   | <b>(76,239)</b>           | (337,082)             |
| Non-controlling interests  | <b><u>(78,881)</u></b>    | <u>118,092</u>        |
|  | <b><u>(155,120)</u></b>   | <u>(218,990)</u>      |
| <b>EARNINGS/(LOSS) PER SHARE<br/>ATTRIBUTABLE TO ORDINARY EQUITY<br/>HOLDERS OF THE PARENT</b> | <b>9</b>                  |                       |
| Basic and diluted  | <b><u>HK0.09 cent</u></b> | <u>HK(2.06) cents</u> |

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2023

|   | <i>Notes</i> | <b>2023</b><br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| <b>NON-CURRENT ASSETS</b>   |              |                                |                         |
| Property, plant and equipment                                       |              | <b>1,195,656</b>               | 1,288,288               |
| Investment properties   |              | <b>3,764,015</b>               | 4,227,712               |
| Club membership   |              | <b>31,800</b>                  | 15,000                  |
| Properties under development  |              | <b>1,992,527</b>               | 1,752,244               |
| Interests in joint ventures   |              | <b>3,638,403</b>               | 2,797,739               |
| Interests in associates   |              | <b>23,476</b>                  | 22,761                  |
| Financial assets at fair value through other comprehensive income   |              | <b>323,376</b>                 | 295,274                 |
| Financial assets at fair value through profit or loss               |              | <b>201,934</b>                 | 171,842                 |
| Loans and interest receivables                                      | <i>11</i>    | <b>21,597</b>                  | 90,532                  |
| Prepayment, other receivables and other assets                      |              | <b>195,681</b>                 | 182,468                 |
| Deferred tax assets   |              | <b>26,102</b>                  | 15,576                  |
|   |              | <hr/>                          | <hr/>                   |
| Total non-current assets  |              | <b>11,414,567</b>              | 10,859,436              |
| <b>CURRENT ASSETS</b>   |              |                                |                         |
| Properties under development  |              | <b>2,436,349</b>               | 3,376,279               |
| Properties held for sale  |              | <b>1,484,068</b>               | 1,977,986               |
| Inventories   |              | <b>209,607</b>                 | 188,179                 |
| Trade receivables   | <i>10</i>    | <b>93,022</b>                  | 104,927                 |
| Loans and interest receivables                                      | <i>11</i>    | <b>290,862</b>                 | 385,160                 |
| Prepayments, other receivables and other assets                     |              | <b>515,273</b>                 | 605,208                 |
| Cost of obtaining contracts   |              | <b>21,612</b>                  | 35,597                  |
| Financial assets at fair value through other comprehensive income   |              | <b>51,805</b>                  | 160,022                 |
| Financial assets at fair value through profit or loss               |              | <b>80,879</b>                  | 312,885                 |
| Tax recoverable   |              | <b>8,781</b>                   | 14,728                  |
| Pledged deposits  |              | <b>33,496</b>                  | 31,250                  |
| Restricted bank balances  |              | <b>12,174</b>                  | 7,311                   |
| Cash and bank balances  |              | <b>1,570,628</b>               | 1,451,365               |
|   |              | <hr/>                          | <hr/>                   |
|   |              | <b>6,808,556</b>               | 8,650,897               |
| Assets classified as held for sale and assets of a disposal company |              | <b>163,947</b>                 | 546,114                 |
|   |              | <hr/>                          | <hr/>                   |
| Total current assets  |              | <b>6,972,503</b>               | 9,197,011               |

|  | <i>Notes</i> | <b>2023</b><br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|--------------|--------------------------------|-------------------------|
| <b>CURRENT LIABILITIES</b>                         |              |                                |                         |
| Trade payables                                     | 12           | <b>155,151</b>                 | 109,850                 |
| Other payables and accruals                        |              | <b>1,024,273</b>               | 1,042,828               |
| Contract liabilities                               |              | <b>219,225</b>                 | 750,710                 |
| Interest-bearing bank and other borrowings         |              | <b>3,176,660</b>               | 3,182,605               |
| Tax payable  |              | <b>110,215</b>                 | 143,714                 |
|  |              | <b>4,685,524</b>               | 5,229,707               |
| Liabilities of a disposal company                  |              | <b>1,203</b>                   | 221,673                 |
| Total current liabilities                          |              | <b>4,686,727</b>               | 5,451,380               |
| <b>NET CURRENT ASSETS</b>                          |              | <b>2,285,776</b>               | 3,745,631               |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>       |              | <b>13,700,343</b>              | 14,605,067              |
| <b>NON-CURRENT LIABILITIES</b>                     |              |                                |                         |
| Unsecured notes                                    |              | <b>125,189</b>                 | 219,497                 |
| Interest-bearing bank and other borrowings         |              | <b>2,944,719</b>               | 3,457,477               |
| Other payables                                     |              | <b>639,182</b>                 | 641,082                 |
| Deferred tax liabilities                           |              | <b>611,887</b>                 | 687,217                 |
| Total non-current liabilities                      |              | <b>4,320,977</b>               | 5,005,273               |
| Net assets   |              | <b>9,379,366</b>               | 9,599,794               |
| <b>EQUITY</b>                                      |              |                                |                         |
| <b>Equity attributable to owners of the parent</b> |              |                                |                         |
| Issued capital                                     |              | <b>154,925</b>                 | 159,775                 |
| Treasury shares                                    |              | <b>(92,605)</b>                | (92,605)                |
| Reserves   |              | <b>5,853,987</b>               | 5,924,641               |
|  |              | <b>5,916,307</b>               | 5,991,811               |
| <b>Non-controlling interests</b>                   |              | <b>3,463,059</b>               | 3,607,983               |
| Total equity                                       |              | <b>9,379,366</b>               | 9,599,794               |

## NOTES TO FINANCIAL INFORMATION

### 1. BASIS OF PREPARATION

This financial information has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. It has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit or loss which have been measured at fair value. Assets and a disposal company classified as held for sale are stated at the lower of their carrying amounts and fair value less costs to sell.

This financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

### 2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year’s financial statements.

|  |  |
|--|--|
| Amendments to HKFRS 3                          | <i>Reference to the Conceptual Framework</i>   |
| Amendments to HKAS 16                          | <i>Property, Plant and Equipment: Proceeds before Intended Use</i>                       |
| Amendments to HKAS 37                          | <i>Onerous Contracts – Cost of Fulfilling a Contract</i>                                 |
| <i>Annual Improvements to HKFRSs 2018–2020</i> | Amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41 |

The nature and the impact of the revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKFRS 3 replace a reference to the previous *Framework for the Preparation and Presentation of Financial Statements* with a reference to the *Conceptual Framework for Financial Reporting* (the “**Conceptual Framework**”) issued in June 2018 without significantly changing its requirements. The amendments also add to HKFRS 3 an exception to its recognition principle for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for liabilities and contingent liabilities that would be within the scope of HKAS 37 or HK(IFRIC)-Int 21 if they were incurred separately rather than assumed in a business combination, an entity applying HKFRS 3 should refer to HKAS 37 or HK(IFRIC)-Int 21 respectively instead of the Conceptual Framework. Furthermore, the amendments clarify that contingent assets do not qualify for recognition at the acquisition date. The Group has applied the amendments prospectively to business combinations that occurred on or after 1 April 2022. As there were no business combinations during the year, the amendments did not have any impact on the financial position and performance of the Group.

- (b) Amendments to HKAS 16 prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling any such items, and the cost of those items as determined by HKAS 2 *Inventories*, in profit or loss. The Group has applied the amendments retrospectively to items of property, plant and equipment made available for use on or after 1 April 2021. Since there was no sale of items produced prior to the property, plant and equipment being available for use, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 37 clarify that for the purpose of assessing whether a contract is onerous under HKAS 37, the cost of fulfilling the contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract include both the incremental costs of fulfilling that contract (e.g., direct labour and materials) and an allocation of other costs that relate directly to fulfilling that contract (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract as well as contract management and supervision costs). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The Group has applied the amendments prospectively to contracts for which it has not yet fulfilled all its obligations at 1 April 2022 and no onerous contracts were identified. Therefore, the amendments did not have any impact on the financial position or performance of the Group.
- (d) *Annual Improvements to HKFRSs 2018–2020* sets out amendments to HKFRS 1, HKFRS 9, Illustrative Examples accompanying HKFRS 16, and HKAS 41. Details of the amendment that is applicable to the Group are as follows:

HKFRS 9 *Financial Instruments*: clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The Group has applied the amendment prospectively from 1 April 2022. As there was no modification or exchange of the Group's financial liabilities during the year, the amendment did not have any impact on the financial position or performance of the Group.

### 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

- (a) the property development segment engages in the development of properties;
- (b) the property investment segment engages in investment in industrial and commercial premises and residential units for rental or for sale;
- (c) the fresh markets segment engages in the management and sub-licensing of fresh markets and butchery business which also includes management of agricultural produce exchange markets in Mainland China;
- (d) the pharmaceutical segment engages in the production and sale of pharmaceutical and health food products; and



- (e) the treasury management segment engages in the provision of finance, investment in debt and other securities which earns interest income and managing assets on behalf of the Group's capital partners via investment vehicles.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that bank interest income, finance costs, fair value gains/losses from the Group's financial instrument at fair value through profit or loss, gains/losses arising from disposal transactions, and head office and corporate income and expenses are excluded from such measurement.

|  | Property development |                | Property investment |                | Fresh markets  |                | Pharmaceutical |                 | Treasury management |                  | Elimination     |                 | Total            |                  |
|--|----------------------|----------------|---------------------|----------------|----------------|----------------|----------------|-----------------|---------------------|------------------|-----------------|-----------------|------------------|------------------|
|  | 2023                 | 2022           | 2023                | 2022           | 2023           | 2022           | 2023           | 2022            | 2023                | 2022             | 2023            | 2022            | 2023             | 2022             |
|  | HK\$'000             | HK\$'000       | HK\$'000            | HK\$'000       | HK\$'000       | HK\$'000       | HK\$'000       | HK\$'000        | HK\$'000            | HK\$'000         | HK\$'000        | HK\$'000        | HK\$'000         | HK\$'000         |
| <b>Segment revenue (note 4):</b>   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  |                  |
| Sales to external customers  | 2,140,165            | 418,564        | 9,934               | 16,742         | 657,661        | 676,090        | 701,018        | 538,940         | 94,680              | 205,705          | -               | -               | 3,603,458        | 1,856,041        |
| Intersegment sales   | -                    | -              | 15,621              | 13,083         | -              | -              | 2,009          | 1,859           | -                   | -                | (17,630)        | (14,942)        | -                | -                |
| Other income   | 40,728               | 19,578         | 15,364              | 44,226         | 9,292          | 3,587          | -              | -               | 357                 | 876              | -               | -               | 65,741           | 68,267           |
| <b>Total</b>   | <b>2,180,893</b>     | <b>438,142</b> | <b>40,919</b>       | <b>74,051</b>  | <b>666,953</b> | <b>679,677</b> | <b>703,027</b> | <b>540,799</b>  | <b>95,037</b>       | <b>206,581</b>   | <b>(17,630)</b> | <b>(14,942)</b> | <b>3,669,199</b> | <b>1,924,308</b> |
| <b>Segment results</b>   | <b>147,351</b>       | <b>203,601</b> | <b>261,015</b>      | <b>225,854</b> | <b>13,597</b>  | <b>69,986</b>  | <b>18,937</b>  | <b>(34,917)</b> | <b>(7,980)</b>      | <b>(281,945)</b> | <b>-</b>        | <b>-</b>        | <b>432,920</b>   | <b>182,579</b>   |
| <i>Reconciliation:</i>   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  |                  |
| Bank interest income   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | 21,020           |
| Finance costs  |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | (288,359)        |
| Fair value losses on financial instruments at fair value through profit or loss, net |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | (13,087)         |
| Gain/(loss) on disposal of subsidiaries, net   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | (1,769)          |
| Corporate and unallocated income and expenses  |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | (52,497)         |
| Profit/(loss) before tax   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | 98,228           |
| Income tax credit/(expense)  |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | 526              |
| Profit/(loss) for the year   |                      |                |                     |                |                |                |                |                 |                     |                  |                 |                 |                  | 98,754           |

#### 4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

|  | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <u>Revenue</u>   |                         |                         |
| <i>Revenue from contracts with customers</i>                                   |                         |                         |
| Sale of properties   | 2,140,165               | 418,564                 |
| Sale of goods  | 815,674                 | 621,663                 |
| Commission income from agricultural produce exchange markets                   | 94,915                  | 94,909                  |
| Agricultural produce exchange markets ancillary services                       | 97,576                  | 101,389                 |
| Asset management fee   | 17,011                  | 30,777                  |
|  | <u>3,165,341</u>        | <u>1,267,302</u>        |
| <br><i>Interest income</i>   |                         |                         |
| Interest income from treasury operation  | <u>81,039</u>           | <u>143,788</u>          |
| <br><i>Revenue from other sources</i>  |                         |                         |
| Sub-licensing fee income   | 163,909                 | 192,891                 |
| Gross rental income from investment property operating leases                  | 196,539                 | 220,920                 |
| Dividend income from financial assets  | 8,525                   | 39,737                  |
| Loss on disposal of financial assets at fair value through profit or loss, net | <u>(11,895)</u>         | <u>(8,597)</u>          |
|  | <u>357,078</u>          | <u>444,951</u>          |
|  | <u><u>3,603,458</u></u> | <u><u>1,856,041</u></u> |

An analysis of the Group's other income and gains, net is as follows:

|  | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| <u>Other income</u>                                    |                         |                         |
| Bank interest income                                   | 21,020                  | 4,511                   |
| Property management fee income                         | 10,527                  | 9,629                   |
| Forfeiture of deposits from customers                  | 14,920                  | 2,027                   |
| Government subsidies*                                  | 9,606                   | 2,166                   |
| Compensation from a litigation judgement               | –                       | 48,572                  |
| Rental income from other properties                    | 53,904                  | 55,170                  |
| Others   | 24,151                  | 15,233                  |
|  | <u>134,128</u>          | <u>137,308</u>          |
| <u>Gains, net</u>                                      |                         |                         |
| Gain on modification/termination of lease contracts    | 627                     | –                       |
| Gain on disposal of subsidiaries, net                  | –                       | 36,404                  |
| Gain on disposal of a joint venture                    | 14,551                  | –                       |
| Gain on disposal of investment properties, net         | 782                     | 8,169                   |
| Gain on disposal of property, plant and equipment, net | 305                     | –                       |
| Gain on early redemption of unsecured notes            | 11,544                  | –                       |
|  | <u>27,809</u>           | <u>44,573</u>           |
| Other income and gains, net                            | <u><u>161,937</u></u>   | <u><u>181,881</u></u>   |

\* For the year ended 31 March 2023, government subsidies represented the People's Republic of China (“PRC”) government subsidies of HK\$9,606,000 (2022: HK\$2,166,000) granted to the Group by the local governmental authority in Mainland China for the business support on its investments in an agricultural produce exchange market in Mainland China.

The Group has complied with all attached conditions before 31 March 2023 and 2022 and recognised these grants in profit or loss as “Other income and gains, net” in the respective accounting periods.

## 5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

|  | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Cost of services provided  | 182,407                 | 215,797                 |
| Cost of properties sold  | 1,741,660               | 352,932                 |
| Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK\$2,965,000 (2022: HK\$4,970,000)) | 461,598                 | 379,530                 |
| Depreciation of owned assets   | 62,750                  | 94,092                  |
| Depreciation of right-of-use assets  | 84,458                  | 67,096                  |
| Auditor's remuneration   | 11,740                  | 11,740                  |
| Research and development costs   | 1,897                   | 1,302                   |
| Lease payments not included in the measurement of lease liabilities  | 17,813                  | 12,673                  |
| COVID-19-related rent concession from lessors  | (774)                   | (1,960)                 |
| Employee benefit expense (including directors' remuneration):  |                         |                         |
| Wages and salaries****   | 343,674                 | 344,122                 |
| Equity-settled share option expense  | 4,646                   | 1,139                   |
| Pension scheme contributions*****  | 12,987                  | 12,438                  |
| Less: Amount capitalised   | (11,651)                | (5,827)                 |
|  | 349,656                 | 351,872                 |
| Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties***                 | 271                     | 679                     |
| Fair value losses on sub-leased investment properties***   | 157,907                 | 101,371                 |
| Loss/(gain) on disposal of subsidiaries, net   | 1,769*                  | (36,404)**              |
| Gain on disposal of a joint venture, net**   | (14,551)                | –                       |
| Gain on disposal of investment properties, net**   | (782)                   | (8,169)                 |
| Loss/(gain) on disposal of property, plant and equipment, net  | (305)**                 | 6,356*                  |
| Gain on early redemption of unsecured notes**  | (11,544)                | –                       |

|  | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Impairment/(reversal of impairment) losses on items of property, plant and equipment, net*             | 25,932                  | (6,395)                 |
| Loss on disposal/redemption of debt investments at fair value through other comprehensive income, net* | 20,628                  | 181,647                 |
| Foreign exchange differences, net  | 3,133*                  | (7,043)**               |
| Loss/(gain) on modification/termination of lease contracts   | (627)**                 | 14,345*                 |
| Loss on modification of debt investments at fair value through other comprehensive income*             | 6,790                   | –                       |
| Impairment losses of financial assets, net:  |                         |                         |
| Debt investments at fair value through other comprehensive income, net                                 | 26,030                  | 215,230                 |
| Other receivables, net   | 483                     | 31                      |
| Trade receivables, net   | 9,890                   | 7,382                   |
| Loans and interest receivables, net  | <u>2,168</u>            | <u>34,289</u>           |
|  | <u><b>38,571</b></u>    | <u><b>256,932</b></u>   |

\* These expenses are included in “Other expenses” on the face of the consolidated statement of profit or loss and other comprehensive income.

\*\* The gain is included in “Other income and gains, net” on the face of the consolidated statement of profit or loss and other comprehensive income.

\*\*\* These expenses are included in “Cost of sales” on the face of the consolidated statement of profit or loss and other comprehensive income.

\*\*\*\* Wage subsidies of HK\$17,361,600 (2022: Nil) granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from May to July 2022 were received during the year ended 31 March 2023. These subsidies were recognised in profit or loss and offset with the employee benefit expenses. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There were no unfulfilled conditions or contingencies relating to this grant.

\*\*\*\*\* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

## 6. FINANCE COSTS

An analysis of finance costs is as follows:

|                                       | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|---------------------------------------|-------------------------|-------------------------|
| Interest on bank and other borrowings | 299,131                 | 195,610                 |
| Interest on lease liabilities         | 44,719                  | 42,575                  |
| Interest on unsecured notes           | 19,826                  | 23,049                  |
| Interest on convertible notes         | —                       | 8,436                   |
|                                       | <u>363,676</u>          | <u>269,670</u>          |
| Less: Interest capitalised            | <u>(75,317)</u>         | <u>(62,065)</u>         |
|                                       | <u>288,359</u>          | <u>207,605</u>          |

## 7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2022: HK\$2,000,000) of assessable profits of this subsidiary was taxed at 8.25% and the remaining assessable profits were taxed at 16.5%. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates. The provision for PRC land appreciation tax (“LAT”) is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

|  | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Current – Hong Kong                    |                         |                         |
| Charge for the year                    | 14,324                  | 4,067                   |
| Current – Mainland China               |                         |                         |
| Charge for the year                    | 26,823                  | 95,858                  |
| LAT                                    | 8,464                   | 28,863                  |
| Current – other jurisdiction           |                         |                         |
| Charge for the year                    | 282                     | 377                     |
| Overprovision in prior years           | <u>(15,192)</u>         | <u>(15,769)</u>         |
|  | 34,701                  | 113,396                 |
| Deferred                               | <u>(35,227)</u>         | <u>(54,932)</u>         |
| Total tax charge/(credit) for the year | <u>(526)</u>            | <u>58,464</u>           |

## 8. DIVIDENDS

|   | 2023<br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interim – Nil (2022: Interim – HK0.1 cent)<br>per ordinary share                                      | –                       | 16,658                  |
| Less: interim dividend related to treasury shares attributable to<br>the owners of the parent         | –                       | (1,129)                 |
| Less: interim dividend related to treasury shares attributable to<br>the non-controlling shareholders | –                       | (587)                   |
|   | <u>–</u>                | <u>14,942</u>           |
| <br>  |                         |                         |
| 2022 final – Nil (2022: 2021 final – HK0.2 cent)<br>per ordinary share                                | –                       | 33,315                  |
| Less: final dividend related to treasury shares attributable to<br>the owners of the parent           | –                       | (2,259)                 |
| Less: final dividend related to treasury shares attributable to<br>the non-controlling shareholders   | –                       | (1,175)                 |
|   | <u>–</u>                | <u>29,881</u>           |
|   | <u>–</u>                | <u>44,823</u>           |

Subsequent to the end of the reporting period, the board of directors of the Company has recommended the payment of a final dividend of HK0.04 cent per share (2022: did not recommend the payment of a final dividend), totally approximately HK\$6,142,000 for the year ended 31 March 2023 (2022: Nil) to the shareholders of the Company, which is subject to the approval of the Shareholders of the Company.

## 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year less the weighted average number of the treasury shares held by the Group during the year.

No adjustment has been made to the basic earnings per share amount presented for the year ended 31 March 2023 in respect of a dilution as the impact of the outstanding share options issued by China Agri-Products Exchange Limited (“CAP”), a non-wholly owned listed subsidiary of the Company, had no dilutive effect on the basic earnings per share amount presented.

No adjustment has been made to the basic loss per share amount presented for the year ended 31 March 2022 in respect of a dilution as the impact of the outstanding share options and convertible notes issued by CAP either had no dilutive effect or had an anti-dilutive effect on the basic loss per share amount presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

|   | <b>2023</b>               | 2022               |
|---|---------------------------|--------------------|
|   | <b>HK\$'000</b>           | HK\$'000           |
| <u>Earnings</u>   |                           |                    |
| Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculations | <u><b>12,784</b></u>      | <u>(305,226)</u>   |
|   | <b>Number of shares</b>   |                    |
|   | <b>2023</b>               | 2022               |
|   | <b>'000</b>               | <b>'000</b>        |
| <u>Shares</u>   |                           |                    |
| Weighted average number of ordinary shares in issue   | <b>15,970,602</b>         | 16,564,945         |
| Less: Weighted average number of treasury shares  | <u><b>(1,716,749)</b></u> | <u>(1,716,749)</u> |
| Weighted average number of ordinary shares used in the basic and diluted earnings/(loss) per share calculation                            | <u><b>14,253,853</b></u>  | <u>14,848,196</u>  |

#### 10. TRADE RECEIVABLES

|                   | <b>2023</b>            | 2022            |
|-------------------|------------------------|-----------------|
|                   | <b>HK\$'000</b>        | HK\$'000        |
| Trade receivables | <b>117,166</b>         | 125,717         |
| Impairment        | <u><b>(24,144)</b></u> | <u>(20,790)</u> |
|                   | <u><b>93,022</b></u>   | <u>104,927</u>  |

The Group's trading terms with its customers are mainly on credit. The credit periods range from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of HK\$8,203,000 (2022: HK\$10,086,000), with credit periods ranging from 10 to 90 days.

Included in the Group's trade receivables are amounts due from the Group's associates of HK\$5,908,000 (2022: HK\$6,828,000) which are repayable on credit terms similar to those offered to the major customers of the Group.



An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

|                | <b>2023</b>          | 2022           |
|----------------|----------------------|----------------|
|                | <b>HK\$'000</b>      | HK\$'000       |
| Within 1 month | <b>48,599</b>        | 75,459         |
| 1 to 3 months  | <b>24,898</b>        | 9,433          |
| 3 to 6 months  | <b>12,864</b>        | 8,267          |
| Over 6 months  | <b>6,661</b>         | 11,768         |
|                | <u><b>93,022</b></u> | <u>104,927</u> |

#### 11. LOANS AND INTEREST RECEIVABLES

|   | <i>Notes</i>      | <b>2023</b>            | 2022            |
|---|-------------------|------------------------|-----------------|
|   |                   | <b>HK\$'000</b>        | HK\$'000        |
| Loans and interest receivables, secured                               | <i>(i), (iii)</i> | <b>309,108</b>         | 495,203         |
| Loans and interest receivables, unsecured                             | <i>(ii)</i>       | <b>79,074</b>          | 77,298          |
|   |                   | <u><b>388,182</b></u>  | <u>572,501</u>  |
| Less: Impairment allowance  | <i>(iv)</i>       | <b>(75,723)</b>        | (96,809)        |
|   |                   | <u><b>312,459</b></u>  | <u>475,692</u>  |
| Less: Loans and interest receivables classified as non-current assets |                   | <u><b>(21,597)</b></u> | <u>(90,532)</u> |
| Current portion   |                   | <u><b>290,862</b></u>  | <u>385,160</u>  |

*Notes:*

- (i) These loans receivable are stated at amortised cost at effective interest rates ranging from 5% to 36% (2022: 5% to 36%). The credit terms of these loans receivable range from 2 months to 10 years (2022: 3 months to 10 years).
- (ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 1% to 36% (2022: 1% to 36%). The credit terms of these loans receivable range from 3 months to 72 months (2022: 6 months to 72 months).
- (iii) At 31 March 2023, the Group's loans receivable with an aggregate carrying value of Nil (2022: HK\$141,460,000) was pledged to secure the Group's other borrowings.

## 12. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

|                | <b>2023</b><br><i>HK\$'000</i> | 2022<br><i>HK\$'000</i> |
|----------------|--------------------------------|-------------------------|
| Within 1 month | <b>104,921</b>                 | 45,832                  |
| 1 to 3 months  | <b>11,236</b>                  | 9,753                   |
| 3 to 6 months  | <b>1,117</b>                   | 9,328                   |
| Over 6 months  | <u><b>37,877</b></u>           | <u>44,937</u>           |
|                | <u><b>155,151</b></u>          | <u>109,850</u>          |

The trade payables are non-interest-bearing and have an average term of 30 to 180 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

## 13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL RESULTS

For the financial year ended 31 March 2023 (“**this Financial Year**” or the “**Year**”), the Group’s revenue and profit attributable to owners of the parent amounted to approximately HK\$3,603.5 million (2022: approximately HK\$1,856.0 million) and approximately HK\$12.8 million (2022: loss attributable to owners of the parent of approximately HK\$305.2 million), respectively.

### DIVIDENDS

The Board has recommended the payment of a final dividend of HK0.04 cent (2022: Nil) per ordinary share for the year ended 31 March 2023 to shareholders whose names appear on the register of members of the Company as of Thursday, 31 August 2023. The final dividend will be paid on or around Wednesday, 13 September 2023, subject to shareholders’ approval at the forthcoming annual general meeting of the Company to be held on Tuesday, 22 August 2023. No interim dividend was declared for the six months ended 30 September 2022 (30 September 2021: HK0.1 cent per share).

### BUSINESS REVIEW

The Group’s revenue for the Year increased by approximately 94.1% to approximately HK\$3,603.5 million (2022: approximately HK\$1,856.0 million). Increase in revenue was mainly due to the increase in sales contributed from the delivery of the Group’s property development projects in which the Group has a controlling stake during this Financial Year.

Profit attributable to owners of the parent for the Year was approximately HK\$12.8 million as compared to the loss attributable to owners of the parent for the year ended 31 March 2022 of approximately HK\$305.2 million. This was primarily attributable to, among other things, (i) decrease in impairment losses of debt investments, decrease in realised losses on disposal of debt investments, and decrease in fair value losses on financial assets at fair value through profit and loss, (ii) increase in gross profit resulting from delivery of property projects owned by the Group, and (iii) decrease in net fair value losses on investment properties, as partially offset by (a) decrease in share of profits from delivery of completed residential projects from joint ventures, (b) new additions of write down of properties held for sales and properties under development, (c) reduction in revenue from treasury operation, as well as (d) increase in finance costs arising from interest rates increment.

The Group recorded gross profit and gross profit margin of approximately HK\$1,059.6 million and 29.4% respectively for the Year (2022: approximately HK\$805.7 million and 43.4% respectively). The decline in gross profit margin was mainly due to a higher proportion of revenue recognised from the sale of properties during this Financial Year which gross profit margin was lower.

The Group recorded administrative expenses of approximately HK\$513.0 million for the Year (2022: approximately HK\$497.0 million.) This remained stable and in control as compared with the year in 2022. Selling and distribution expenses were approximately HK\$452.9 million for the Year (2022: approximately HK\$274.6 million), and such increment was primarily attributable to the support services in relation to the increase in property sales. Finance costs were approximately HK\$288.4 million for the Year (2022: approximately HK\$207.6 million) and the increase was mainly due to the rising interest rate of the bank and other borrowings. The Group's average borrowing rate was 5.6% (2022: 3.8%).

Impairment losses on financial assets, net amounted to approximately HK\$38.6 million for the Year (2022: approximately HK\$256.9 million). The decrease was mainly due to the reduction of impairment losses of debt investments.

Other expenses amounted to approximately HK\$58.3 million for the Year (2022: approximately HK\$196.0 million). The decrease was mainly attributable to the decrease in realised losses on disposal of debt investments.

For the Year, fair value losses on financial assets at fair value through profit or loss, net of approximately HK\$13.1 million (2022: approximately HK\$93.6 million) were primarily because of the decrease in fair value losses on financial assets (mainly funds investment) at fair value through profit or loss.

For the Year, fair value losses on owned investment properties, net of approximately HK\$5.0 million (2022: approximately HK\$83.5 million) were mainly due to the decrease in net fair value losses on various investment properties located in Hong Kong and Mainland China.

During the year ended 31 March 2023, write-down of properties under development of approximately HK\$30.2 million was charged to profit or loss (2022: Nil), which was related to two properties under development located in Hong Kong.

During the year ended 31 March 2023, write-down of properties held for sale of approximately HK\$44.2 million was charged to profit or loss (2022: Nil), which was related to a commercial property held for sale in Hong Kong and two agricultural produce exchange markets in Mainland China.

Income tax of the Group comprised of Hong Kong profit tax, PRC enterprise income tax and PRC land appreciation tax. During the Year, there was an income tax credit of approximately HK\$0.5 million as compared with an income tax expense amounted to approximately HK\$58.5 million for the year 2022. The major change was arising from the decrease in PRC income tax to approximately HK\$26.8 million for the Year (2022: approximately HK\$95.9 million). Such decrease in PRC income tax was mainly due to the decrease in sales of properties in the PRC of approximately HK\$169.0 million for the Year (2022: approximately HK\$418.6 million) and no compensation from a litigation judgement for the Year (2022: approximately HK\$48.6 million).

The share of profits of joint ventures for the Year amounted to approximately HK\$317.3 million (2022: approximately HK\$425.1 million). The decrease was mainly due to the delivery of less property sales of two jointly developed property projects, namely “maya” and “Altissimo” during this Financial Year.

As of 31 March 2023, the Group’s net assets were approximately HK\$9,379.4 million (2022: approximately HK\$9,599.8 million). Its cash resources amounted to approximately HK\$1,749.0 million (2022: approximately HK\$1,962.8 million) including total cash and bank balances of approximately HK\$1,616.3 million (2022: approximately HK\$1,489.9 million) and short-term investments of approximately HK\$132.7 million (2022: approximately HK\$472.9 million). In aggregate, the total borrowings as of 31 March 2023 was approximately HK\$6,246.6 million (2022: approximately HK\$6,859.6 million) giving resulted in a net debt position for the Group (total borrowings less total cash and bank balances) of approximately HK\$4,630.3 million (2022: approximately HK\$5,369.7 million).

The Group regularly reviews its financial position and maintains a healthy cash balance to support the business growth. The review of the individual business segments of the Group is set out below.

### **Property Development**

The property development segment consists of the Hong Kong residential and commercial property market sales from Wang On Properties Limited (“**WOP**”, a non-wholly owned listed subsidiary of the Company and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with stock code: 1243, together with its subsidiaries, collectively the “**WOP Group**”); and the property sales in the People’s Republic of China (the “**PRC**”) from China Agri-Products Exchange Limited (“**CAP**”, a non-wholly owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 149, together with its subsidiaries, collectively, the “**CAP Group**”), which is a non-wholly owned listed subsidiary of Wai Yuen Tong Medicine Holdings Limited (“**WYT**”, a non-wholly owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 897, together with its subsidiaries, collectively, the “**WYT Group**”).

For the Year, property development segment recorded revenue and segment profit of approximately HK\$2,140.2 million and approximately HK\$147.4 million, respectively (2022: approximately HK\$418.6 million and approximately HK\$203.6 million, respectively). Revenue of approximately HK\$1,971.2 million were mainly contributed by the WOP Group for the Year (2022: Nil) because of the delivery of “The Met. Azure” project in which the WOP Group has a controlling stake during this Financial Year. For the Year, the Group’s property development business in the PRC (through the CAP Group) recorded revenue of approximately HK\$169.0 million (2022: approximately HK\$418.6 million). The decrease in revenue contributed from the CAP Group is mainly due to the delivery of less properties during this Financial Year.

In September 2022, Sky Admiral Limited, a wholly-owned subsidiary of WOP, entered into a sales and purchase agreement with Sky Plaza Limited, a wholly-owned subsidiary of a joint venture (in which the WOP Group holds 50% interest) (“**APG JV**”) with APG Strategic Real Estate Pool (“**APG**”) to sell the entire issued share capital and shareholder’s loan at an initial consideration of approximately HK\$554.8 million. Please refer to the announcement of the Company and WOP dated 1 September 2022 and the circular of the Company dated 23 September 2022 for details. This transaction was completed on 14 October 2022. This site is adjacent to another project (located at Nos. 120–126 Main Street, Ap Lei Chau, Hong Kong) which in turn was disposed of by the WOP Group to the APG JV in December 2021. The APG JV will redevelop these two sites together as residential and commercial/mixed use property for sale. As at the date of this announcement, the foundation work is undergoing at the site.

The WOP Group is investing in several urban redevelopment projects, and they have secured ownerships of over 90% of the relevant projects. Applications to the court are being made in respect of all these projects for compulsory sale orders under the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong). Redevelopment can only be implemented upon acquisition of the full ownership of the relevant projects. The total attributable gross floor area upon redevelopment is approximately 65,000 square feet, and the development projects are financed by both external banking facilities and internal resources.

The WOP Group is actively exploring different channels to increase its land banks, including public tenders and old building acquisitions. By doing so, the WOP Group is building a strong foundation for providing stable land resources for future development projects.

As at the date of this announcement, the WOP Group has a development land portfolio in Hong Kong as follows:

| <b>Project</b>                         | <b>Approximate<br/>site area<br/>(square feet)</b> | <b>Approximate<br/>gross floor area<br/>(square feet)</b> | <b>Intended usage</b>         | <b>Anticipated<br/>year of<br/>completion</b> |
|--|--|---|-------------------------------|---|
| Pokfulam Project                       | 28,500   | 28,500  | Residential                   | 2023  |
| Tai Kok Tsui Project                   | 6,800  | 61,500  | Residential and<br>Commercial | 2024  |
| Ap Lei Chau Project I                  | 7,200  | 74,200  | Residential and<br>Commercial | 2025  |
| Ap Lei Chau Project II                 | 4,100  | 38,500  | Residential and<br>Commercial | 2025  |
| Wong Tai Sin Project I                 | 9,600  | 81,300  | Residential and<br>Commercial | 2025  |
| Wong Tai Sin Project II                | 10,400   | 93,700  | Residential and<br>Commercial | 2025  |
| Ngau Tau Kok Project                   | 5,200  | 46,300  | Residential and<br>Commercial | 2025  |
| Fortress Hill Project                  | 12,400   | 131,600   | Residential and<br>Commercial | 2026  |
| Quarry Bay Project <sup>(Note 1)</sup> | 4,200  | 39,100  | Residential and<br>Commercial | 2026  |
| Yau Tong Project <sup>(Note 2)</sup>   | 41,700   | 269,000   | Residential and<br>Commercial | 2028  |

Notes:

1. Acquisition completed in June 2023
2. Acquisition completed in May 2023

## **Fresh Markets and Agricultural Produce Exchange Markets**

The fresh market and agricultural produce exchange market business segment recorded a decrease in revenue (sales to external customers) by approximately 2.7% to approximately HK\$657.7 million for the Year (2022: approximately HK\$676.1 million), of which annual revenue of approximately HK\$404.9 million was contributed from the operation of agricultural produce exchange markets of the CAP Group in the PRC; approximately HK\$163.9 million was contributed from the fresh market operations in Hong Kong, and approximately HK\$88.9 million was from revenue streams brought by butchery, vegetable and other retails businesses in this segment in Hong Kong. The decrease in revenue was mainly due to the expiration of leases of several fresh markets and the impact of COVID-19 pandemic situation on the fresh markets operations during this Financial Year. Segment result recorded a profit of approximately HK\$13.6 million (2022: approximately HK\$70.0 million) for the Year.

The Group has established a strong foothold in the fresh market and agricultural produce exchange market business over the past two decades. During this Financial Year, the Group managed a portfolio of around 600 stalls, operating under the brands of “Allmart” brand and “Day Day Fresh” in Hong Kong, covering a total GFA of over 150,000 square feet. The Group is focused on meeting the growing expectations of its customers by providing a more comfortable and spacious shopping environment, incorporating well-designed layouts, improvement works and high-quality management services. The Group is committed to strengthening its partnership with tenants and local communities by introducing effective marketing and promotion events that enhance the overall shopping experiences at its fresh markets. Looking ahead, the Group trends to identify high population density areas to establish fresh markets and mini fresh markets, which will enable it to expand its market presence and offer customers a wider range of quality products and services.

In April 2022, the Group was informed by the Link Properties Limited, the landlord of the fresh market located at the first floor of the Choi Ming Shopping Centre, Tseung Kwan O, Hong Kong, of their agreement to renew the lease term for the market up to 7 December 2024. Please refer to the Company’s announcement dated 14 April 2022 for details.

In May 2022, the Group received a letter from the Hong Kong Housing Authority indicating its agreement to lease a fresh market located at B1/F, Kai Chuen Shopping Centre, Wong Tai Sin, Hong Kong with an area under lease of approximately 1,282 square metres to the Group. The fresh market commenced its operation in the end of 2022. Please refer to the Company’s announcement dated 24 May 2022 for details.



With the current fresh market and agricultural produce exchange market business on a stable and established foundation, the Group also commenced its portfolio of self-owned fresh markets in Hong Kong through the joint ventures. As such, the WOP Group, in collaboration with these joint ventures, successfully acquired a retail podium located at Lake Silver in Ma On Shan and a commercial accommodation at The Parkside in Tseung Kwan O. By combining its expertise in property investment and fresh market operation, the Group is able to create strong synergy and unique business value in this segment.

On 1 October 2022, CAP and the Company entered into a master licensing agreement which sets out the general principles and key terms governing the definitive licensing agreements under which relevant members of the Group may grant license of, and the CAP Group may take up the license of the premises from 1 October 2022 to 30 September 2025. Details were disclosed in the joint announcement of the Company, WYT and CAP dated 1 October 2022.

For the Year, the butchery business generated revenue of approximately HK\$65.9 million (2022: approximately HK\$58.4 million). The increase in revenue was mainly attributed to the additional new butchery stores opened during the Year, the Group believes that there is still strong demand for pork in local diets. The Group's well-established fresh market network can facilitate for rapid growth and a relatively low-risk development for this business.

In addition, the Group has extended its retail business to include fruit and vegetables retailing by partnership with different operators. While the revenue generated from this business is insignificant in this set up stage, the Group considers it is a rapidly growing business afterwards.

The Group, through the CAP Group, operates 11 agricultural produce exchange markets across five provinces in the PRC. These markets are located in Hubei Province, Henan Province, Guangxi Zhuang Autonomous Region, Jiangsu Province and Liaoning Province. Despite the rebound of the COVID-19 epidemic during the Year, the operation of the agricultural produce exchange markets was not significantly impacted, and the markets were able to continue its normal operation through the CAP Group's implementation of effective measures to mitigate the impact of COVID-19 on its market operations and ensure the continuity of its business. As a result, the CAP Group has established a strong presence in this industry through the markets across multiple provinces, which enables to sustain the development and expansion of its agricultural produce exchange market business in the future.

## Property Investment

As at 31 March 2023, the Group owned investment properties in Hong Kong and the PRC comprised of commercial, industrial and residential units with a total carrying value of approximately HK\$3,325.0 million (2022: approximately HK\$3,712.6 million).

During this Financial Year, the Group received gross rental income of approximately HK\$9.9 million (2022: approximately HK\$16.7 million).

The WOP Group owns 64% equity interest in a joint venture group (the “**Parkville JV**”), in partnership with three independent third parties. The Parkville JV acquired properties in Tuen Mun with a total gross floor area of 13,858 square feet (the “**Parkville Property**”). The Parkville Property is fully let as at the date of this announcement.

The WOP Group has partnered with an independent third party to own 50% equity interest of a joint venture (the “**Jumbo JV**”). The Jumbo JV has acquired eight stories of carpark podium of Jumbo Court in Aberdeen, which provides a total of 509 car parking space (the “**Jumbo Property**”). It is expected that the Jumbo Property will be able to meet the high demand for parking spaces once the comprehensive development around the Wong Chuk Hang MTR Station is completed in phases. As at the date of this announcement, the Jumbo Property is fully let.

The WOP Group has also partnered with Kohlberg Kravis Roberts & Co. L.P. (“**KKR**”) to own two commercial accommodations, known as “Lake Silver” at Ma On Shan and “The Parkside” at Tseung Kwan O. The WOP Group has 50% equity interest in each project. The WOP Group has refurbished both properties, improved the tenant mix and boosted the rental yield. As at the date of this announcement, Lake Silver is fully let, while The Parkside has an occupancy rate over 90%.

As at 31 March 2023, the WYT Group owned 13 properties in Hong Kong which are all retail properties or industrial building (whereas the WYT Group has entered into two sale and purchase agreements with respect to the disposal of two properties which transactions were mentioned below and pending completion as of 31 March 2023). A majority of these properties were used as the retail shops under self-operating and franchise modes.

During the Year, the WYT Group completed the disposal of a property-holding company holding property situated at Ground Floor of Bowring Building, No.14 Bowring Street, Kowloon, Hong Kong for a consideration of HK\$48.8 million on 22 March 2023. Please refer to the joint announcement dated 6 January 2023 of the Company and WYT for details of the property disposal.

On 6 February 2023, the WYT Group entered into a provisional sale and purchase agreement with an independent third party to sell a property-holding company holding a property at the 11th Floor of Well Town Industrial Building (together with the related roof portion and a carparking space), No. 13 Ko Fai Road, Kowloon, Hong Kong at a consideration of HK\$71.0 million, completion of which took place on 19 June 2023. This property was classified as assets held for sale as at 31 March 2023. Please refer to the joint announcements dated 6 February 2023 and 19 June 2023 of the Company and WYT for details of the property disposal.

On 21 March 2023, the WYT Group entered into a provisional sale and purchase agreement with an independent third party to sell a property situated at Shop B on G/F and Portion of the Yard, Nos. 66, 68, 70 & 72 Tai Wai Road, Shatin, New Territories, Hong Kong at a consideration of HK\$66.8 million, completion of which will take place on 30 June 2023. This property was classified as assets held for sale as at 31 March 2023. Please refer to the joint announcement dated 21 March 2023 of the Company and WYT for details of the property disposal.

As at 31 March 2023, the Group still held 8 second-hand residential properties with valuation of approximately HK\$44.1 million and the Group intends to continue identifying opportunities to dispose of these second-hand residential properties.

### **Pharmaceutical and Health Food Products Business**

The WYT Group is a pharmaceutical group focusing on manufacturing and/or retailing of pharmaceutical and health food products. During the Year, there was an encouraging improvement on the Group's pharmaceutical and health food products segment with revenue (sales to external customers) totaling approximately HK\$701.0 million (2022: approximately HK\$538.9 million), representing an increase of approximately 30.1%

### **Chinese Pharmaceutical and Health Food Products**

Revenue of the Chinese pharmaceutical and health food products segment significantly increased by approximately 24.3% to approximately HK\$618.4 million (2022: approximately HK\$497.6 million).

The fifth wave of the COVID-19 epidemic hit Hong Kong rapidly and fiercely, with the highly transmissible Omicron variant strain caused a turbulent epidemic phase in March 2022. This left many Hong Kong residents suffering from post COVID-19 symptoms, commonly known as Long Covid, which has resulted a strong demand for Chinese medicine practitioners' consultation services and health supplements. The WYT Group places the health of the customers at its top priority, and has recently activated online Chinese medicine practitioners' consultation services to facilitate proper treatment. Additionally, several campaigns were launched to help address Long Covid symptoms, resulting in high sales of most of the respiratory-related products.

Facing the difficulty of the COVID-19 epidemic, the WYT Group has still been taking steps to reinforce its position in the Angong Niu Huang Wan market by launching several new products, and has entered the cancer supplements segment. To more focus on the care and offer easier access of its products and services to the public, the WYT Group is continuing to enlarge its business through opening new retail outlets, listing in key drug stores, and investing in its online presence. These efforts are aimed at strengthening the accessibility and convenience of the WYT Group's products and services for customers, as well as increasing its visibility and reach.

### **Western Pharmaceutical and Health Food Products**

Revenue of the western pharmaceutical and health food products has increased by approximately 100% to approximately HK\$82.6 million (2022: approximately HK\$41.3 million) and such increase is attributable to the WYT Group's solid foundation to strive for growth despite of the turbulent environment for the Year.

The WYT Group is making continuous efforts in realising business opportunities in the market. "Madame Pearl's", the flagship brand, achieved the Hong Kong cough syrup sales champion for 12 consecutive years, supported by the valuable sales and marketing strategies and activities. The WYT Group has persistently and successfully building up the effective Hong Kong trade channels on distributing "Luxembourg"-branded products.

"Pearl's", another key brand of the WYT Group, has been established leadership in mosquito repellent product category in Hong Kong market. The revenue of "Pearl's" Mosquitout product range reached a satisfactory growth over last year.

In addition, to comply with PRC's relevant regulations, the WYT Group has evolved various local distributors to accelerate the channel penetration of the "Madame Pearl's" and "Pearl's" brands into the PRC.

Because of the pandemic, the shift of consumer purchasing behavior from offline to online has been speeded up. As such, the WYT Group has been actively deploying resources to develop its e-commerce business channels. This has included the distribution of "Madame Pearl's" and "Pearl's" products through its own online platform as well as selected third-party e-commerce platforms such as HKTVmall and Ztore. In addition, the WYT Group is developing its cross-border e-commerce business.

## **Treasury Management**

The Group maintains a healthy financial position. Liquid investments and total cash and bank balances amounted to approximately HK\$2,274.3 million as at 31 March 2023, represented a decrease of approximately 6.4% from the balance of approximately HK\$2,429.9 million as at 31 March 2022. As at 31 March 2023, approximately, 47.6%, 19.4% and 33.0% of the liquid investments are the debt securities, equity securities and funds and other investments, respectively. And approximately HK\$1,616.3 million are total cash and bank balances.

## **Money Lending Business**

As part of its treasury management business, the Group provides lending to third party customers, with the loans secured by various types of collateral, such as first-mortgage residential properties, commercial properties, industrial properties and etc., all located in Hong Kong. The Group has been very prudent and cautious in assessing potential loan applications, especially given the uncertain economic outlook. The Group's credit committee is responsible for evaluating and approving loans within predetermined credit limits, and the Group has established credit control policies to govern the loan review and approval processes. Those policies focus on verifying the borrowers' identity, repayment ability, and the quality of the asset to be pledged, which should help mitigate credit risks associated with the lending operations. Overall, the Group is able to manage its credit risks effectively and ensure the long-term stability and sustainability of its money lending business.

During the Year, the Group's lending business contributed revenue of approximately HK\$43.1 million (2022: approximately HK\$61.9 million), down by approximately 30.4%, mainly due to the drop in loan portfolio. The composition of the loan portfolio includes both individual and corporate customers. As at 31 March 2023, we had 44 (2022: 51) active loan accounts, gross loan balance of which were approximately HK\$277.8 million (2022: approximately HK\$461.3 million). Secured loans accounted for approximately 81.8% (2022: approximately 82.9%) while unsecured loans accounted for approximately 18.2% (2022: approximately 17.1%). At 31 March 2023, in terms of the loan balance, the top 5 customers of the money lending business accounted for approximately 48.8% (2022: approximately 53.9%) of the portfolio. The tenors of the loans ranged from 2 months to 120 months (2022: 3 months to 120 months). The weighted-average interest rates of secured loans were approximately 12.8% (2022: approximately 12.9%) per annum and that for unsecured loans were approximately 13.3% (2022: approximately 16.2%) per annum. At 31 March 2023, the loan-to-value ratio of the secured loans was approximately 66.7% (2022: approximately 70.3%) per annum which management considered to be a safe level. Impairment losses during the Year was amounted to approximately HK\$0.7 million (2022: approximately HK\$34.3 million) and such losses related primarily to the expected credit loss allowance arising as a result of delayed repayment. The drop in the size of our loan portfolio was a result of our more cautious approach in accepting potential applications during the risky environment.

Despite the uncertainties in economy environment, the Group strives to continuously monitor and review the clients' circumstances of its money lending business, with the goal of building a healthy and stable platform within its treasury management segment.

### **Asset Management**

The Group provides asset management services through the WOP Group, which has entered joint ventures with various strategic partners in both residential developments and commercial investments. As the asset manager of the invested assets, the WOP Group earns various fee income, including asset management fees, acquisition fees, development fees and leasing fees, and promote fees upon reaching or exceeding certain target internal rate of return. These fees contributed a stable and recurring income to the WOP Group.

During this Financial Year, the WOP Group recorded fee income of approximately HK\$17.0 million (2022: approximately HK\$30.8 million). The decrease was mainly attributable to the reduction in acquisition fee.

In December 2022, the WOP Group has formed a new joint venture with Angelo, Gordon & Co., L.P. (“AG”) for the acquisition and operation of the property located at No.19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building currently erected thereon and known as “Pentahotel Hong Kong, Kowloon”, has a total gross floor area of approximately 285,000 square feet.

In addition to managing two commercial accommodation investments, Lake Silver and The Parkside, in which the WOP Group co-invested with KKR, the WOP Group has been engaged as the asset manager in new joint ventures in 2021, namely the Parkville JV and the Jumbo JV. The details of the managed assets can be referred to the section “Property Investment”.

The WOP Group has partnered with APG for acquisition of residential properties in Hong Kong for development and redevelopment for sales. As the asset manager, the WOP Group involves in the site evaluation, acquisition, construction management and sales.

The WOP Group is leveraging its expertise in asset management to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

### **LIQUIDITY AND FINANCIAL RESOURCES**

As at 31 March 2023, the equity attributable to owners of the parent decreased by approximately 1.3% to approximately HK\$5,916.3 million (2022: approximately HK\$5,991.8 million). The Group's total equity, including the non-controlling interests, decreased to approximately HK\$9,379.4 million (2022: approximately HK\$9,599.8 million) as at 31 March 2023.

As at 31 March 2023, the Group's total assets were approximately HK\$18,387.1 million (2022: approximately HK\$20,056.4 million). Total cash and bank balances held amounted to approximately HK\$1,616.3 million (2022: approximately HK\$1,489.9 million) as at 31 March 2023. The Group also maintained a portfolio of liquid investments with an aggregate market value of approximately HK\$658.0 million (2022: approximately HK\$940.0 million) as at 31 March 2023, which is immediately available for use when in need.

As at 31 March 2023, the Group's total debt amounted to approximately HK\$6,246.6 million (2022: approximately HK\$6,859.6 million), and the Group's net debt to equity ratio (or the net gearing ratio) was approximately 49.4% (2022: approximately 55.9%).

The net debt to equity ratio (or the net gearing ratio) is calculated as the net debt divided by total equity. Net debt is calculated as a total of interest-bearing bank and other borrowings, unsecured notes and convertible notes, less cash and cash equivalents, restricted bank balances and pledged deposits.

As at 31 March 2023, the Group's property, plant and equipment, investment properties, properties under development, properties held for sale, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, loan receivable, and pledged deposit with carrying value of approximately HK\$539.8 million, approximately HK\$2,218.0 million, approximately HK\$4,187.6 million, approximately HK\$601.4 million, approximately HK\$126.9 million, Nil, Nil and approximately HK\$33.5 million, respectively (2022: approximately HK\$474.1 million, approximately HK\$1,992.0 million, approximately HK\$4,829.7 million, approximately HK\$1,081.6 million, approximately HK\$277.1 million, approximately HK\$103.1 million, approximately HK\$141.5 million, and approximately HK\$31.3 million, respectively) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2023 amounted to approximately HK\$1,409.3 million (2022: approximately HK\$2,412.2 million) which was mainly attributed to its property development business. In addition, the Group's share of joint ventures' own capital commitments amounted to approximately HK\$110.9 million (2022: approximately HK\$43.3 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to HK\$450.8 million (2022: HK\$450.8 million) and were utilised to the extent of HK\$250.3 million as at 31 March 2023 (2022: HK\$360.9 million). Save as disclosed herein, the Group had no significant contingent liabilities as at 31 March 2023.

As at 31 March 2023, the Group provided guarantees with respect to loans in the amount of approximately HK\$36.1 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2022: approximately HK\$45.5 million). Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds.

The Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach to financial management. By closely monitoring its financial resources, the Group ensures efficient and effective operations while retaining flexibility to respond to opportunities and uncertainties. Management of the Group is of the opinion that the existing financial structure is healthy and the related resources are sufficient to meet the Group's operation needs in the foreseeable future. Operating a central cash management system can help optimise cash flow and minimise idle cash, while prudent investments in liquid investment can generate reasonable returns and maintain liquidity. Overall, these measures are expected to help the Group to maintain a strong financial position and mitigate financial risks.

As at 31 March 2023, interest-bearing debt profile of the Group was analysed as follows:

|                                       | <b>31 March<br/>2023<br/>HK\$'000</b> | 31 March<br>2022<br>HK\$'000 |
|---------------------------------------|---------------------------------------|------------------------------|
| Bank loans repayable                  |                                       |                              |
| Within one year or on demand          | <b>2,964,731</b>                      | 3,044,945                    |
| In the second year                    | <b>2,251,228</b>                      | 1,470,439                    |
| In the third to fifth year, inclusive | <b>672,976</b>                        | 1,743,824                    |
| Beyond five years                     | <b>20,515</b>                         | 36,984                       |
|                                       | <u><b>5,909,450</b></u>               | <u>6,296,192</u>             |
| Other loans repayable                 |                                       |                              |
| Within one year or on demand          | <b>211,929</b>                        | 137,660                      |
| In the second year                    | <b>–</b>                              | 206,230                      |
|                                       | <u><b>211,929</b></u>                 | <u>343,890</u>               |
| Unsecured Notes ( <i>Note</i> )       |                                       |                              |
| In the second year                    | <b>125,189</b>                        | –                            |
| In the third to fifth year, inclusive | <b>–</b>                              | 219,497                      |
|                                       | <u><b>125,189</b></u>                 | <u>219,497</u>               |
|                                       | <u><b>6,246,568</b></u>               | <u>6,859,579</u>             |

*Note:* CAP has issued unsecured notes with maturity in 2024 (the “Unsecured Notes”) which are listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). As at 31 March 2023 and 31 March 2022, the Unsecured Notes in the principal amount of HK\$150 million and HK\$290 million respectively remained outstanding.



To meet the interest-bearing debts, business capital expenditure and funding needs for, inter alia, replenishment of the Group's land bank, enhancing our portfolio of properties for investment and/or payment of construction costs for the development of the property development projects, the Group has from time to time been considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bond issuance, convertible notes, other debt financial investments, and disposal of properties.

## SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2023, the Group held financial assets at fair value through other comprehensive income (“FVOCI”) and financial assets at fair value through profit or loss (“FVPL”) of approximately HK\$375.2 million and approximately HK\$282.8 million, respectively:

|  | Notes | As at 31 March 2023     |                                      | Year ended 31 March 2023           |                             |                               | Fair value/carrying amount      |                                 |                             |
|--|-------|-------------------------|--------------------------------------|------------------------------------|-----------------------------|-------------------------------|---------------------------------|---------------------------------|-----------------------------|
|  |       | Amount held<br>HK\$'000 | Percentage to the Group's net assets | Fair value gain/(loss)<br>HK\$'000 | Interest income<br>HK\$'000 | Dividend received<br>HK\$'000 | As at 31 March 2023<br>HK\$'000 | As at 31 March 2022<br>HK\$'000 | Investment cost<br>HK\$'000 |
| <b>FVOCI:</b>  |       |                         |                                      |                                    |                             |                               |                                 |                                 |                             |
| A. Equity investment                                   |       | 111,249                 | 1.2%                                 | (9,526)                            | -                           | 2,498                         | 111,249                         | 209,417                         | 164,273                     |
| B. Bonds   |       |                         |                                      |                                    |                             |                               |                                 |                                 |                             |
| China South City Holdings Limited (“China South City”) | 1     | 126,998                 | 1.3%                                 | 12,941                             | 19,133                      | -                             | 126,998                         | 132,446                         | 162,398                     |
| Other bonds  |       | 136,934                 | 1.5%                                 | (52,298)                           | 10,519                      | -                             | 136,934                         | 113,433                         | 416,391                     |
| Subtotal   |       | 375,181                 | 4.0%                                 | (48,883)                           | 29,652                      | 2,498                         | 375,181                         | 455,296                         | 743,062                     |
| <b>FVPL:</b>   |       |                         |                                      |                                    |                             |                               |                                 |                                 |                             |
| A. Equity investment                                   |       | 16,464                  | 0.2%                                 | (850)                              | -                           | 3,621                         | 16,464                          | 2,597                           | 17,279                      |
| B. Funds   | 2     | 209,903                 | 2.2%                                 | (17,516)                           | -                           | 2,406                         | 209,903                         | 421,557                         | 288,946                     |
| C. Bonds   |       | 49,510                  | 0.5%                                 | 3,136                              | 5,180                       | -                             | 49,510                          | 46,373                          | 50,534                      |
| D. Others  |       | 6,936                   | 0.1%                                 | 2,143                              | -                           | -                             | 6,936                           | 14,200                          | 5,393                       |
| Subtotal   |       | 282,813                 | 3.0%                                 | (13,087)                           | 5,180                       | 6,027                         | 282,813                         | 484,727                         | 362,152                     |
| Total  |       | 657,994                 | 7.0%                                 | (61,970)                           | 34,832                      | 8,525                         | 657,994                         | 940,023                         | 1,105,214                   |

As at 31 March 2023, financial assets at fair value through other comprehensive income include listed equity securities and listed/unlisted debt investments. The Group has always adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary. The Group intended to hold these investments for long term purpose aiming to generating a stable income.

Financial assets at fair value through profit or loss include an investment portfolio of unlisted funds and derivative financial instruments. The Group has always adopted a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary.

The principal activities of the securities are as follows:

1. China South City 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). China South City and its subsidiaries are principally engaged in property development in integrated logistics and trade centers, residential and commercial ancillary facilities, property management, development, operations and maintenance of an e-commerce platform and provision of advertising, exhibition, logistics and warehousing services, outlet operations and other services.
2. On 19 July 2021, the Group executed the subscription of interests in the Blackstone Real Estate Income Trust iCapital Offshore Access Fund SPC, a Cayman Islands segregated portfolio company and CS Blackstone REIT Access Fund SPC, a Cayman Islands segregated portfolio company (together, the “**Access Funds**”) for subscription amounts of US\$11.5 million and US\$4.0 million respectively. Blackstone Real Estate Income Trust (the “**BREIT**”) is a non-listed, perpetual-life real estate investment trust that was established in 2017. It invests primarily in stabilised, income-generating U.S. commercial real estate. It follows an investment guideline of having at least 80% of its portfolio in real estate investments and up to 20% in real estate debt investments, cash and/or cash equivalents. It is managed by BX REIT Advisors L.L.C., an affiliate of the real estate group of The Blackstone Group Inc., which serves as the sponsor of the BREIT. The Blackstone Group Inc. is an American alternative investment management company based in New York whose shares are listed and traded on the New York Stock Exchange (NYSE: BX). During the Year, each of the Access Funds have been repurchased and the Group does not hold any interests in the Access Funds as at the date of this announcement. Please refer to the joint announcements dated 19 July 2021 and 19 September 2022 published by the Company and WYT for details.
3. Save as disclosed above, the Group also invested in other shares listed on the Stock Exchange and other major stock exchanges. The fair value of each of these shares represented less than 1.0% of the net assets of the Group as at 31 March 2023.

4. Save as disclosed above, the Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.0% of the net assets of the Group as at 31 March 2023.

Save as disclosed above, during the Year, the Group did not have any other significant investments held, material acquisitions, and disposal of subsidiaries, associates and joint ventures and future plans for material investment or capital assets.

## LITIGATION

In 2007, the CAP Group acquired Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited (“**Baisazhou Agricultural**”) from independent third parties, Ms. Wang Xiu Qun (“**Ms. Wang**”) and Wuhan Tian Jiu Industrial and Commercial Development Co., Ltd. (“**Tian Jiu**”) for their respective 70% and 20% interest in Baisazhou Agricultural (the “**Baisazhou Acquisition**”).

Since 2011, the CAP Group has been involved in a number of civil proceedings in Mainland China and Hong Kong. The key civil proceedings in Mainland China and Hong Kong in respect of the Baisazhou Acquisition are set out below:

### **In Mainland China, proceedings concerning Ms. Wang, Tian Jiu and the CAP Group:**

In May 2015, Ms. Wang and Tian Jiu commenced proceedings against the PRC Ministry of Commerce (“**MOFCOM**”) in the Beijing Second Intermediate People’s Court, seeking, inter alia, a direction that MOFCOM revoke its approval in respect of the Baisazhou Acquisition.

It is alleged by Ms. Wang and Tian Jiu that:

- a) Baisazhou Agricultural forged share transfer agreements (the “**Contended Agreements**”) in relation to the Baisazhou Acquisition wherein the related consideration was understated and the manner of settlement of the consideration was inaccurately described;
- b) Baisazhou Agricultural forged the related documentation for filing with the MOFCOM and the Hubei Administration For Industry and Commerce (the “**Hubei AIC**”), and that such documentation and the Contended Agreements involved forged signatures; and
- c) MOFCOM and the Hubei AIC approved the Baisazhou Acquisition and processed the related filings on the basis of the above documents that are allegedly forged.

In December 2015, the Beijing Second Intermediate People’s Court directed MOFCOM to reconsider its approval decision. In May 2016, MOFCOM decided that its approval issued in relation to the Contended Agreements shall not be revoked and shall remain to be in force (the “**Reconsidered Decision**”).

In August 2016, Ms. Wang and Tian Jiu commenced administrative proceedings against MOFCOM in the Beijing Second Intermediate People’s Court seeking to set aside the Reconsidered Decision. In March 2017, the Beijing Second Intermediate People’s Court dismissed the application of Ms. Wang and Tian Jiu (“**31 March Judgement**”). On 20 December 2018, the Beijing Higher People’s Court upheld the 31 March Judgement (“**20 December Judgement**”), Ms. Wang and Tian Jiu applied to the Supreme People’s Court for a retrial and for dismissal of (i) the 31 March Judgement, and (ii) the 20 December Judgement, but this application was dismissed by the Supreme People’s Court on 29 December 2020.

As advised by CAP’s PRC legal advisor, the approval issued by MOFCOM in 2007 in relation to the Contended Agreements shall not be revoked and remain to be in force, and the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural.

In May 2015, the CAP Group commenced legal proceedings against Ms. Wang and Tian Jiu in the Higher People’s Court of Hubei Province (“**Hubei Court**”) seeking, inter alia, declarations and orders that the sales and purchase agreements for the Baisazhou Acquisition (the “**SPA**”) have been legally made, and that Ms. Wang and Tian Jiu shall assist Baisazhou Agricultural to discharge its contractual duties under the SPA to make the necessary filing with MOFCOM (which were subsequently withdrawn in April 2019 in light of the decisions in respect of the MOFCOM approvals). Ms. Wang and Tian Jiu filed their counterclaim for, inter alia, the return of the CAP’s 90% interest in Baisazhou Agricultural, which was dismissed by the Hubei Court in December 2019 (“**23 December Judgement**”).

In January 2020, Ms. Wang and Tian Jiu appealed against the 23 December Judgement. On 29 March 2021, the CAP Group received the judgement of the Supreme Court dated 29 December 2020 (“**29 December Judgement**”) which upheld the 23 December Judgement and dismissed the appeal of Ms. Wang and Tian Jiu. As advised by the PRC legal advisors of the CAP Group, according to the 23 December Judgement and the 29 December Judgement, the CAP Group continues to be the legal and beneficial owner of Baisazhou Agricultural.

### **In Hong Kong, CAP as plaintiff against Ms. Wang and Tian Jiu as defendants**

In 2011, CAP issued a Writ of Summons in Court of First Instance in the High Court of Hong Kong (the “**CFI**”) against Ms. Wang and Tian Jiu. CAP (as purchaser) sought damages from Ms. Wang and Tian Jiu (as vendors) for their breach of various provisions of the SPA. Ms. Wang and Tian Jiu counterclaimed for, amongst others, an order that CAP do cause and/or procure the shares in Baisazhou Agricultural to be transferred back to Ms. Wang and Tian Jiu.

In 2012, CAP obtained a court order from the CFI to the effect that undertakings (the “**Undertakings**”) were given by Ms. Wang and Tian Jiu not to (i) indorse, assign, transfer or negotiate the two instruments (purportedly described as promissory notes in the SPA) (the “**Instruments**”); and (ii) enforce payment in relation to the SPA by presentation of the Instruments until the final determination of these proceedings or further court order. Pursuant to the Undertakings, the Instruments will no longer fall due for payment by CAP on 5 December 2012.

The CFI handed down its judgement on 18 January 2021 awarding damages in favour of CAP for sum exceeding the sum owed under the Instruments (the “**HK Judgement**”). The CFI also ordered that the damages awarded to CAP be set-off by the sum owed under the Instruments, and that Ms. Wang and Tian Jiu were not be allowed to enforce the Instruments against CAP. In effect, CAP is not required to make any payment under the Instruments to Ms. Wang or Tian Jiu. Further, as the counterclaim of Ms. Wang and Tian Jiu was dismissed, CAP continues to be the legal and beneficial owner of Baisazhou Agricultural.

On 20 April 2023, the CFI ruled in respect of the total damages that Ms. Wang and Tian Jiu shall pay to CAP in respect of the HK Judgement and ruled that Ms. Wang and Tian Jiu shall pay to CAP damages in the sum of HK\$567,037,325.74, together with interest thereon at judgement rate from 18 January 2021 until payment.

Up to the date of this announcement, CAP is seeking legal advice for the recovery of damages against Ms. Wang and Tian Jiu.

**Prosecution commenced in the PRC by Wuhan Jiangnan District People’s Procuratorate against the former director of Baisazhou Agricultural, Mr. Zhou Jiu Ming (“Mr. Zhou”):**

According to the judgement of Hubei Wuhan Jiangnan District People’s Court (“**Jiangnan Court**”) dated 19 November 2021 (“**19 November Judgement**”), the former director of Baisazhou Agricultural, Mr. Zhou, during the period of 2009 under the employment of Baisazhou Agricultural, instructed other associated personnel of Baisazhou Agricultural to unlawfully misappropriate funds of Baisazhou Agricultural in the sum of RMB40.0 million for his personal use. Wuhan Jiangnan District People’s Procuratorate commenced prosecution against Mr. Zhou for penalty. Jiangnan Court ordered in the 19 November Judgement that: (1) Mr. Zhou was guilty of misappropriation of funds and was sentenced to five years of imprisonment; (2) Mr. Zhou shall return the misappropriated funds of RMB40.0 million to Baisazhou Agricultural in accordance with the law.

According to the judgement of Hubei Wuhan Intermediate People’s Court (“**Wuhan Court**”) dated 11 January 2022 (“**11 January Judgement**”), Wuhan Court ordered that the appeal by Mr. Zhou against the 19 November Judgement be dismissed. The 11 January Judgement is final.

The case has now come to an end.

Further details regarding the civil proceedings which the CAP Group can be found in the interim/annual reports and announcements issued by CAP.

## **EVENTS AFTER THE REPORTING PERIOD**

On 12 April 2023, CAP repurchased outstanding Unsecured Notes in an aggregate principal amount of HK\$10.0 million via open market. The repurchased notes had been cancelled on 21 April 2023. Details of repurchase were disclosed in the announcement of CAP dated 12 April 2023.

## **FOREIGN EXCHANGE**

The Board is of the opinion that the Group has material foreign exchange exposure in Renminbi (“**RMB**”). All the bank borrowings are denominated in Hong Kong dollars and RMB. The Group’s revenue is mostly denominated in Hong Kong dollars and RMB, which matches the currency requirements of the Group’s operating expenses. For the time being, the Group does not have a foreign currency hedging policy.

The activities of the Group are exposed to foreign currency risks primarily due to its operation in the PRC. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our PRC subsidiaries. The re-translation of the net assets denominated in RMB into Hong Kong dollars using the exchange rate as of the reporting date resulted in a re-translation loss of approximately HK\$243.3 million (2022: gain of approximately HK\$132.7 million). The re-translation loss/gain was recognised in other comprehensive income/exchange reserve.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 March 2023, the Group had 2,202 (2022: 2,145) employees, of whom approximately 43% (2022: approximately 43%) were located in Hong Kong and Macau and the rest were located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for eligible employees in Hong Kong and retirement contributions for staff in the PRC and Macau in accordance with the statutory requirements. The Group had launched a defined scheme of remuneration and promotion review to accommodate the above purpose, which is normally carried out annually. The Group also provides other forms of benefits such as medical and retirement benefits and structured training programs to its employees.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Group has reviewed the principal risks and uncertainties which may affect its businesses, financial condition, operations and prospects based on its risk management system and considered that the major risks and uncertainties that may affect the Group included (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties and they may fail to provide satisfactory services adhering to the Group's quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during downturn of economy; (viii) loss of management contracts for fresh markets which may arise in light of severe competition with existing market players and entry of new participants into the market; (ix) industrial policy risk and supply chain disruption due to material shortage or price inflation for pharmaceutical business; (x) internet risk; (xi) fluctuation in the exchange rate of RMB against Hong Kong dollars which may affect the repatriation of profit and/or additions of investment when converting currencies; and (xii) industrial policy risk for development, construction, operations and acquisition of agri-produce exchange markets.

In response to the above possible risks, the Group has implemented a series of internal control and risk management policies to cope with the possible risks, and has carried out serious scrutiny over the selection of quality customers and suppliers. The Group has formed various committees to develop and review strategies, policies and guidelines on risk control. These measures enable the Group to monitor and response to risk effectively and promptly. The Group also actively proposes solutions to lower the impact of the possible risks on its businesses.

## PROSPECTS

Hong Kong's real GDP expanded 2.7% year-on-year in the first quarter of 2023, recovering from a 4.1% contraction in the previous quarter. It was the first economic growth since the end of 2021, due mainly to the solid increase in private consumption and recovery of fixed investments. Hong Kong's seasonally adjusted unemployment rate lowered to 3.1% in the three months ended March 2023, from 3.3% in the previous three-month period. The labor market is expected to improve further, supported by the gradual normalization of economic activities, recovering tourism sector, and the disbursement of the new batch of consumption vouchers.

On the other hand, there is significant increase in the interest rate in the United States, which inevitably affects the global money flow and asset prices. Under this macro environment, the Hong Kong One Month Interbank Rate was increased to 3.15% as at 31 March 2023, which was increased from 0.32% as at 31 March 2022.

Though the tension between the PRC and United States worsen, tight financial conditions, and an increasing pace of interest rate hikes remain constraints, the positive progress in border opening between Hong Kong and Mainland China, the continued improvement of the inbound tourism and domestic demand are expected to have steady and positive development as well as the major drivers of economic growth in 2023.

The WOP Group launched the pre-sales of "Larchwood" in August 2022. As at the date of this announcement, more than 90% of the released units were sold. The luxury properties of Pokfulam Project is expected to be launched in the second half of 2023. In Hong Kong, with the border re-opened and new policies and measures formulated by the Government, the sales of the properties shall be boosted.

During the Year, the WOP Group has partnered with AG to acquire Pentahotel Hong Kong, Kowloon, which is a great opportunity for WOP to leverage its knowledge and expertise in property investment and asset management while generating sustainable management fee income and share of operating profit of the property. WOP's experience in real estate asset management, and its investment in the Pentahotel project, has paved the way for participation in the hospitality industry.

Further, the WOP Group is focusing to explore new investment opportunities, it will keep looking for collaboration with strategic partners and utilizing its expertise to strengthen the asset management, property development, as well as property investment business. Meanwhile, ESG elements are added in the business operations.



The fresh market operations business operations have been profitable and generated positive cash flow over the past decades. However, it is facing more competition from the increasing number of other fresh markets and operators, as well as online shopping and delivery services. Additionally, the COVID-19 pandemic has had an impact on the business during this Financial Year. Despite these challenges, the Group continues to expand its fresh market portfolio by collaborating with landlords and identifying opportunities to acquire additional fresh markets in Hong Kong. The Group also focus on more resources and developing its retailing business, including mini supermarkets, butchery, fruit and vegetables, in order to strengthen its recurring income.

“Wai Yuen Tong” is a reputable pharmaceutical household brand that has been established for over a century. The outbreak of COVID-19 has led to an increase in consumer health awareness, and there is an expectation of a general increase in spending on Chinese medication and nutritional supplements to help fighting against the pandemic.

With the largest team of professional Chinese medicine practitioners in Hong Kong, the WYT Group will follow its motto “Preparing Medicine with Dedication, Growing Strong with Reputation”, and aims to expand its market share by opening both self-operated and franchised retail outlets in the PRC, Hong Kong, and Macau. Additionally, it will broaden its overseas footprints, and launch new products to meet the evolving needs of its customers. E-commerce will be a key development to support its consumers online in the coming year.

Looking ahead, the CAP Group aims to continue building a nationwide agricultural produce exchange network leveraging on its industry-leading position, replicable business model, advanced management system and IT infrastructure, and quality customer service.

The agricultural development is the PRC central government’s first priority policy for the next consecutive years. In 2023, the document “No. 1 Central Document of 2023” was released by the Central Committee of Communist Party of China and the State Council of China. The document vows at to promote investments in agricultural produce markets, expand agricultural produce network, build logistic infrastructure and storage facilities for agricultural products and improve regional cold storage infrastructure. Furthermore, the “Belt and Road Initiative” policy will be the main factor for the PRC economy’s overall growth and offer a sustainable way for the PRC on-going development.

The CAP Group is focusing on adopting an “asset light” strategy and exploring electronic trading platform development to capture new business opportunities and take advantage of technology advancement promoted by the PRC government’s data economy initiatives. At the same time, the CAP Group further expand its business scope to wet market and trading, in order to pursue with its leading position in the industry.

The CAP Group is confident that it will deliver long-term benefits to itself and its shareholders as a whole.

The year 2023 is expected to be a challenging year because of ongoing global economic uncertainties. The Group is taking a proactive approach to monitoring changes, risks and assets closely, and is committed to capturing every opportunity for its development and achieving solid returns to the shareholders. Meanwhile, the overall healthy financial position of the Group and the expected continued growth through its diversified business enables the Group to have a high degree of flexibility. The Group is confident that with its strategic investments, it will continue to achieve sustained growth and deliver long-term value to its stakeholders.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE**

### **Environmental protection**

The Group had taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture. The WOP Group participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of its properties, including “The Met. Acappella” by engaging a third-party consultant for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The WYT Group continues to upgrade its industrial facilities to become more environmental friendly, including the use of solar energy and implementation of energy saving policy. The CAP Group incorporated sustainable development into its corporate policies and business development plans. Environmental, Social and Governance risks and opportunities, such as combating climate change, are associated with its business development.

### **Social responsibility**

While the Group endeavours to promote business development and strive for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the past years, the Group made charity donations to organisations, including various non-government and non-profit making organisations. The Group will continue to devote further resources and effort for being a socially responsible corporation.

### **Relationship with customers and suppliers**

The Group recognised enhancing and maintaining good relationships with suppliers and customers are essential for the Group’s overall growth and development. The Group placed specific caution on selection of quality suppliers and customers and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group has kept good communications and shared business updates with them when appropriate.

## **Compliance with the corporate governance code**

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for the Shareholders.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Listing Rules throughout the financial year ended 31 March 2023 except for the following deviation:

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the year under review, Mr. Tang Ching Ho, the chairman of the Board, also assumed the role of managing Director. Currently, the Company does not propose to comply with code provision C.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interest of the Group as a whole.

Further details of the Company's corporate governance practices would be set out in the Corporate Governance Report to be contained in the Company's 2023 Annual Report.

## **Model code for securities transactions by directors**

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiries of all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the Year. Up to the date of this announcement, no incident of non-compliance by the Directors was noted by the Company during the Year.

Details of the environmental, social and governance performance of the Group would be disclosed in the Environmental, Social and Governance Report of the Company to be published on the websites of the Company and the Stock Exchange in due course.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

During the financial year ended 31 March 2023, the Company repurchased a total of 485 million shares of HK\$0.01 each of the Company on the Stock Exchange.

Details of the share repurchases during the Year are as follows:

| Month of repurchases | Number of repurchased share<br>(in million) | Purchase price per share |                | Aggregate amount<br>HK\$<br>(in million) |
|----------------------|---|--------------------------|----------------|--|
|                      |   | Highest<br>HK\$          | Lowest<br>HK\$ |  |
| March 2023           | 485   | 0.053                    | 0.049          | 24.925                                   |

After the financial year ended 31 March 2023 and up to the date of this announcement, the Company further repurchased a total of 138.7 million shares of HK\$0.01 each of the Company on the Stock Exchange. All the repurchased shares were subsequently cancelled by the Company on 17 May 2023.

#### AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference (as amended from time to time) in accordance with the requirements of the Listing Rules. During the Year, the Audit Committee held two regular meetings with management and the external auditor. The Audit Committee reviewed and considered, among other things, the accounting principles and practices adopted by the Group, the financial report matters including the interim and final results, the audit plan, the statutory compliance, internal controls and risk management and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget.

The Audit Committee has reviewed with the Company's management and approved the accounting policies and principles adopted and the Group's consolidated financial statements for the year ended 31 March 2023.

#### SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2023 as set out in this announcement have been agreed by the Company's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with *Hong Kong Standards on Auditing*, *Hong Kong Standards on Review Engagements* or *Hong Kong Standards on Assurance Engagements* issued by the Hong Kong Institute of Certified Public Accountants and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed during the following period:

- (a) For determining eligibility to attend and vote at the annual general meeting:

Latest time to lodge transfer documents 4:30 p.m., Wednesday, 16 August 2023  
for registration:

Closure of register of members: Thursday, 17 August 2023 to Tuesday, 22  
August 2023 (both days inclusive)

Record date: Tuesday, 22 August 2023

- (b) for determining entitlement to the proposed final dividend:

Latest time to lodge transfer documents 4:30 p.m., Monday, 28 August 2023  
for registration:

Closure of register of members: Tuesday, 29 August 2023 to Thursday, 31  
August 2023 (both days inclusive)

Record date: Thursday, 31 August 2023

In order to be eligible to qualify for the proposed final dividend, all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than the latest date and time set out above.

## **PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT**

This final results announcement is published on the websites of HKEXnews ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.wangon.com](http://www.wangon.com)). The 2023 Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the Shareholders and available on the above websites in due course.

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 June 2023

*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*