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**WANG ON GROUP LIMITED**

**(宏安集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 1222)**

**DISCLOSEABLE TRANSACTION  
DISPOSAL OF LISTED NOTES**

Reference is made to the joint announcement of the Company and WOP dated 2 February 2024 in relation to, among other things, the Previous Disposals. The Board announces that under the Present Disposals, the Group has disposed of on the open market the China South City Notes in the aggregate principal amount of approximately US\$8.4 million (equivalent to approximately HK\$65.7 million) at the aggregate consideration (excluding unpaid accrued interest) of approximately US\$3.8 million (equivalent to approximately HK\$29.4 million).

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Present Disposals, whether on standalone basis or when aggregated with the Previous Disposals which were conducted within 12 months of the date of the Present Disposals, exceeds 5% but is less than 25%, the Present Disposals constitute a discloseable transaction for the Company under the Listing Rules and are subject to the notification and announcement requirements under the Listing Rules.

## **INTRODUCTION**

Reference is made to the joint announcement of the Company and WOP dated 2 February 2024 in relation to, among other things, the Previous Disposals. The Board announces that under the Present Disposals, the Group has disposed of on the open market the China South City Notes in the aggregate principal amount of approximately US\$8.4 million (equivalent to approximately HK\$65.7 million) at the aggregate consideration (excluding unpaid accrued interest) of approximately US\$3.8 million (equivalent to approximately HK\$29.4 million).

## **CHINA SOUTH CITY NOTES**

### ***China South City 11.95% Notes***

The principal terms of the China South City 11.95% Notes are summarized below.

Issuer:	China South City Holdings Limited
Coupon:	9.0% per annum, payable semi-annually
Maturity date:	9 October 2024
Listing:	The Singapore Exchange Securities Trading Limited

### ***China South City 11.50% Notes***

The principal terms of the China South City 11.50% Notes are summarized below.

Issuer:	China South City Holdings Limited
Coupon:	9.0% per annum, payable semi-annually
Maturity date:	12 April 2024
Listing:	The Singapore Exchange Securities Trading Limited

## **THE PRESENT DISPOSALS**

The Present Disposals were conducted by the Sellers and the date of the disposals are from 2 February 2024 to 8 February 2024.

The aggregate principal amount of China South City Notes being disposed of under the Present Disposals is approximately US\$8.4 million (equivalent to approximately HK\$65.7 million).

The aggregate consideration (excluding unpaid accrued interest) under the Present Disposals is approximately US\$3.8 million (equivalent to approximately HK\$29.4 million), being approximately 45% of the aggregate principal amount of the China South City Notes being disposed of.

The consideration for each of the Present Disposals is based on the then prevailing trading price of the China South City Notes on the open market.

Prior to the Present Disposals, the Group also disposed of the China South City Notes pursuant to the Previous Disposals on the open market during the period from 29 November 2023 to 1 February 2024 in an aggregate principal amount of approximately US\$9.7 million (equivalent to approximately HK\$75.5 million) at the aggregate consideration (excluding unpaid accrued interest) of approximately US\$3.8 million (equivalent to approximately HK\$29.8 million). As at the date of this announcement, after taking into account the Previous Disposals and the Present Disposals, the Group holds an aggregate principal amount of approximately US\$0.4 million (equivalent to approximately HK\$3.3 million) of the China South City Notes.

## **INFORMATION ON THE CHINA SOUTH CITY NOTES**

The aggregate carrying value of the China South City Notes as disposed of under the Present Disposals as mark to its market price as at 30 September 2023 was approximately HK\$31.6 million for the Group. The net profits before and after taxation attributable to the interest income arising from the China South City Notes as disposed of under the Present Disposals were approximately HK\$6.5 million and HK\$7.6 million for the years ended 31 March 2023 and 2022 respectively for the Group.

## **INFORMATION ON THE ISSUER, SECURITY BROKERS AND THE PURCHASERS**

According to the public information available to the Board, the Issuer is a company incorporated in Hong Kong with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1668). The Issuer and its subsidiaries are principally engaged in 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.

As at the date of this announcement, to the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, each of the Issuer and its ultimate beneficial owners is a third party independent of, and is not connected with, the Company and its connected persons.

As the Present Disposals were conducted by the Sellers on the open market through their respective security brokers, the identities of the purchasers of the China South City Notes cannot be ascertained. To the best of the knowledge, information and belief of the Board and having made all reasonable enquiries, each of the security brokers, purchasers of the China South City Notes and their respective beneficial owners is a third party independent of, and is not connected with, each of the Company and its connected persons.

## **INFORMATION ON THE GROUP AND THE SELLERS**

### **The Group**

The Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and/or the PRC; (ii) property investment, property development and asset management in Hong Kong through WOP, its 75.00%-owned listed subsidiary; (iii) manufacturing and retailing of pharmaceutical and health food products through WYT, its approximately 69.19%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP (a listed subsidiary of the Company and WYT), which is indirectly held as to approximately 73.54% by the Company amongst which approximately 53.37% is indirectly held by WYT. The Company is ultimately owned by Mr. Tang Ching Ho (the chairman, an executive director and controlling shareholder of the Company) (together with his associates) as to approximately 50.67%.

### **The Sellers**

The WOP Seller is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of WOP. The principal activity of the WOP Seller is investment holding.

The WYT Seller is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of WYT. The principal activity of the WYT Seller is investment holding.

The WOG Seller is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company. The principal activity of the WOG Seller is investment holding.

## **REASONS FOR AND BENEFITS OF AND THE FINANCIAL EFFECTS OF THE PRESENT DISPOSALS**

As a result of the Present Disposals, the Company is expected to recognise a loss of approximately HK\$32.9 million in the financial year ending 31 March 2024, which mainly represent the difference between the total consideration of approximately US\$3.8 million (approximately HK\$29.4 million) (excluding unpaid accrued interest) and the purchase costs of the China South City Notes of

approximately US\$8.2 million (approximately HK\$63.8 million) as disposed of under the Present Disposals. The actual amount of gain or loss to be recorded by the Company will be subject to the review and final audit by the auditor of the Company.

Taking into account the aforementioned financial effects of the Present Disposals and the recent performance of the price of the China South City Notes, the Board is of the view that the Present Disposals provide the Group with a good opportunity to realize their investments in the China South City Notes, and to re-allocate resources for general working capital and other investment opportunities when they arise.

As the Present Disposals were conducted through the open market, the Board is of the opinion that the terms of such disposals are fair and reasonable and on normal commercial terms, and that the Present Disposals are in the interests of the Company and its shareholders as a whole.

### **INTENDED USE OF PROCEEDS**

The Board intends to apply (or has applied) the net proceeds from the Present Disposals of approximately US\$3.8 million (equivalent to approximately HK\$29.4 million) as general working capital and other potential investment opportunities if and when they arise.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Present Disposals, whether on standalone basis or when aggregated with the Previous Disposals which were conducted within 12 months of the date of the Present Disposals, exceeds 5% but is less than 25%, the Present Disposals constitute a discloseable transaction for the Company under the Listing Rules and are subject to the notification and announcement requirements under the Listing Rules.

### **DEFINITIONS**

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability and its shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“China South City 11.50% Notes”	11.50% senior notes due 12 August 2022 issued by the Issuer which was supplemented and amended by a supplemental indenture in August 2022 as 9.0% senior notes due 12 April 2024

“China South City 11.95% Notes”	11.95% senior notes due 9 February 2023 issued by the Issuer which was supplemented and amended by a supplemental indenture in August 2022 as 9.0% senior notes due 9 October 2024
“China South City Notes”	namely China South City 11.50% Notes and China South City 11.95% Notes
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	China South City Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1668)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Present Disposals”	the disposal of the China South City Notes by the Sellers from 2 February 2024 to 8 February 2024 on the open market
“Previous Disposals”	the previous disposals of the China South City Notes by the Sellers during the period from 29 November 2023 to 1 February 2024 on the open market
“Sellers”	namely WOP Seller, WYT Seller and WOG Seller
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243)
“WOP Seller”	Twist Pioneer Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WOP

“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“WOG Seller”	Mailful Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“WYT Seller”	Suntech Investments Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of WYT
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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, 8 February 2024

*As at the date of this announcement, the board of directors of the Company 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