

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.



WANG ON GROUP LIMITED
(宏安集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)



CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易所有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 0149)

JOINT ANNOUNCEMENT

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF THE TARGET COMPANY

THE DISPOSAL

Each of the WOG Board and the CAP Board announces that on 25 May 2024, the Vendor (an indirect wholly-owned subsidiary of CAP), the Purchaser, the Target Company and Hongjin Qingjiang entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Company. The initial consideration for the sale and purchase of the Target Company is approximately RMB28.90 million (equivalent to approximately HK\$31.88 million), subject to adjustments. As part of the transactions under the Sale and Purchase Agreement, the Purchaser is also required to fund the Target Company's repayment of the CAP Loans amounting to approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), as at the date of this joint announcement. Upon completion of the Disposal, the WOG Group and the CAP Group will cease to have any equity interest in the Target Company.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder exceeds 25% but is less than 75% for each of WOG and CAP, the entering into of the Sale and Purchase Agreement constitutes a major transaction for each of WOG and CAP and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened by WOG to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, details of the Sale and Purchase Agreement and the transactions contemplated thereunder and a notice of special general meeting of WOG is expected to be despatched to its shareholders on or before 17 June 2024.

To the best of the knowledge, information and belief of the CAP Directors, after having made all reasonable enquiries, no shareholder of CAP is required to abstain from voting if CAP were to convene a special general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. On 25 May 2024, CAP received a written approval from each of Rich Time Strategy Limited and Onger Investments Limited (each an indirect subsidiary of WOG), being a closely allied group of shareholders of CAP, each holding 3,674,814,532 and 2,007,700,062 shares of CAP and collectively holding 5,682,514,594 shares of CAP in aggregate, representing approximately 57.09% of the total issued share capital of CAP, carrying rights to vote at a general meeting of CAP, approving the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of CAP.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further information of the Sale and Purchase Agreement and the transactions contemplated thereunder is required to be despatched to the shareholders of CAP on or before 17 June 2024.

WARNING

Shareholders and potential investors of both WOG and CAP should be aware that completion of the Disposal is subject to certain conditions precedent under the Sale and Purchase Agreement, as set out in the section headed “THE SALE AND PURCHASE AGREEMENT — Conditions Precedent” of this joint announcement, and therefore may or may not take place. Investors are advised to exercise caution when dealing in the securities of both WOG and CAP and if they are in any doubt about their position, they should consult their professional advisers.

INTRODUCTION

Each of the WOG Board and the CAP Board announces that on 25 May 2024, the Vendor (an indirect wholly-owned subsidiary of CAP), the Purchaser, the Target Company and Hongjin Qingjiang entered into the Sale and Purchase Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Target Company.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarized below.

Date

25 May 2024

Parties

- (i) the Vendor, an indirect wholly-owned subsidiary of CAP (as vendor);
- (ii) the Purchaser (as purchaser);
- (iii) the Target Company, an indirect wholly-owned subsidiary of CAP as at the date of this joint announcement (as the target company); and
- (iv) Hongjin Qingjiang (as the Target Company's subsidiary)

Subject matter

The subject matter under the Sale and Purchase Agreement is the sale and purchase of the Target Equity. The Target Equity represents the entire equity interests in the Target Company as at the date of this joint announcement. The Purchaser has also undertaken under the Sale and Purchase Agreement to, within 7 business days of the SAMR Approval Date, provide funding to the Target Company which shall then be applied within 14 business days of the SAMR Approval Date towards the repayment of the CAP Loans, which amounted to approximately RMB140.47 million (equivalent to approximately HK\$154.94 million) as at the date of this joint announcement.

Consideration

The Consideration for the Disposal is initially approximately of RMB28.90 million (equivalent to approximately HK\$31.88 million), subject to adjustments as described below and shall be satisfied by the Purchaser in the following manner:

- (i) 95% of the adjusted Consideration (i.e. the Consideration after incorporating any adjustments as referred to below) shall be payable in cash within 60 days after the Completion Date by the Purchaser to the Vendor, whereas part of such amount equal to RMB10.0 million (equivalent to approximately HK\$11.03 million) may be settled by applying a deposit payable by the Purchaser upon signing of the Sale and Purchase Agreement and the opening of an escrow bank account in the name of the Target Company; and
- (ii) the remaining 5% of the adjusted Consideration shall be payable in cash within 180 days after the Completion Date by the Purchaser to the Vendor.

The initial Consideration as stated above shall be adjusted by comparing the consolidated net assets value of the Target Group:

- (a) as shown in its consolidated accounts as at 31 July 2024 to be prepared by an independent auditor; and
- (b) as shown in its consolidated accounts as at 31 December 2023.

If (a) is higher than (b), the Consideration shall be adjusted upwards accordingly, subject to a maximum adjusted total Consideration of approximately RMB71.71 million; if (a) falls short of (b), then the Consideration shall be adjusted downwards accordingly subject to a minimum of RMB nil (the range of adjustment amounts are determined primarily by reference to possible revaluation in relation to the assets of the Target Group). The amount of the adjustment to the Consideration will be assessed by an independent auditor, and in the event the Vendor and the Purchaser are unable to reach agreement on such adjustment, both parties will have the right to terminate the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser, taking into account primarily the unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million.

Conditions precedent

Completion is conditional upon the satisfaction of the following conditions precedent:-

- (i) the assets and liabilities in relation to the Target Group as referred to in the Sale and Purchase Agreement being complete and accurate and without undisclosed encumbrances;
- (ii) except for the indebtedness as specified in the Sale and Purchase Agreement, the Vendor and the Target Group having no other debts, contingent liabilities, material litigation or other circumstances that would affect the consummation of the Disposal;
- (iii) the information relating to all outstanding contracts and existing personnel of the Target Company as disclosed in the Sale and Purchase Agreement remaining complete and without omission;
- (iv) parties to the Sale and Purchase Agreement having completed the applicable approval procedures with respect to the Disposal;
- (v) the Target Company having obtained the respective confirmation letters from the creditor(s) with respect to the CAP Loans undertaking not to make claims against the Target Company and/or the Purchaser on or before the repayment date as agreed in the Sale and Purchase Agreement;
- (vi) each of WOG and CAP having completed the compliance requirements pursuant to the Listing Rules, including the despatch of the respective shareholders' circulars and the passing of the requisite resolutions by the shareholders of WOG and CAP approving the Sale and Purchase Agreement and the transactions contemplated thereunder, where appropriate;
- (vii) each of the WOG Board and CAP Board having approved the terms of the Sale and Purchase Agreement and the Disposal in accordance with its terms and conditions; and
- (viii) the Vendor and the Purchaser having confirmed in writing on the arrangements in handling the existing personnel of the Target Company and Hongjin Qingjiang.

The conditions precedent in paragraphs (vi) to (vii) shall be fulfilled by the Vendor within 60 days upon signing of the Sale and Purchase Agreement (which may be extended for a further 30 days or such longer period as the Vendor and the Purchaser may agree), and failing which, the Vendor will have the right to terminate the Sale and Purchase Agreement.

As at the date of this joint announcement, the condition precedent set out in paragraph (vii) above has been fulfilled and with respect to condition precedent in paragraph (vi) above, CAP has received a written approval from Rich Time Strategy Limited and Onger Investments Limited as stated in the section headed "LISTING RULES IMPLICATIONS" of this joint announcement.

Guarantee

The obligations of the Vendor and the Purchaser under the Sale and Purchase Agreement are respectively guaranteed by Luoyang Hongjin Agricultural and By-Products Wholesale Market Company Limited* (洛陽宏進農副產品批發市場有限公司)(a wholly-owned subsidiary of CAP) and Huai'an Qingjiangpu Chengtou Holdings Group Company Limited* (淮安市清江浦城投控股集團有限公司) (which is ultimately owned by the Huai'an Qingjiangpu Government) by way of separate letters of guarantee as prescribed under the Sale and Purchase Agreement.

Completion

Within 3 days of (i) the satisfaction of all the conditions precedent under the Sale and Purchase Agreement; and (ii) the Vendor's and the Purchaser's agreement on the amount of the adjusted Consideration, the Vendor shall issue a notification to the Purchaser, whereupon the Vendor and Purchaser shall, within 7 business days of the Vendor's notice, apply to the relevant State Administration for Market Regulation for registration of the change of shareholders of the Target Company.

Completion of the sale and purchase of the Target Company shall take place within 3 days after the SAMR Approval Date.

INFORMATION ON THE TARGET GROUP

The Target Company is a company established in the PRC with limited liability. It has a registered capital of USD35 million, of which approximately USD30.30 million has been fully paid up. The Target Company is an indirect wholly-owned subsidiary of CAP prior to the Completion. The Target Group is principally engaged in the business of operation and management of agricultural products and by-products wholesale market in Huai'an city of Jiangsu province. As at the date of this joint announcement, the principal asset of the Target Group is the Property.

Information on the Property

The Target Company is the registered, legal and beneficial owner of the Property. The Property comprises unsold portion of an agri-products logistic market mainly consisting of (i) 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m.(279,385 sq.ft.) for retail, wholesale, storage, office and facility uses. The Property is located in Qingjiangpu District of Huai'an city in the Jiangsu Province (江蘇省淮安市清江浦區). The Property is currently used by the Target Company as an agricultural products and by-products wholesale market. The preliminary indicative valuation of the Property by an independent valuer was approximately RMB156.0 million as at 30 April 2024.

FINANCIAL INFORMATION OF THE TARGET GROUP

Set out below is a summary of the unaudited consolidated financial information of the Target Group for the two financial years ended 31 March 2024 and 2023:

	For the year ended	
	31 March	
	2024	2023
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Net (loss) before tax	(13,675)	(12,232)
Net (loss) after tax	(13,629)	(12,232)

The unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 was approximately HK\$23.73 million.

FINANCIAL EFFECT AND INTENDED USE OF PROCEEDS

Upon Completion, both the WOG Group and the CAP Group are expected to record a gain on Disposal of approximately HK\$6.58 million before the release of exchange reserves at group level of approximately HK\$20.76 million, and will yield a net loss on Disposal of approximately HK\$14.18 million after release of exchange reserves. Such loss on Disposal is calculated with reference to the expected proceeds in the aggregated amount of approximately HK\$186.82 million comprising (i) the initial amount of the Consideration for the sale and purchase of the Target Equity of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) and (ii) the repayment amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), and deducting from it (i) the unaudited consolidated net assets attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million, (ii) the amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), (iii) release of exchange reserves at group level of approximately HK\$20.76 million as at 31 March 2024 and (iv) relevant expenses of approximately HK\$1.57 million.

The actual gain or loss to be recorded by the WOG Group and the CAP Group is subject to audit and review by the auditors of WOG and CAP.

The CAP Group plans to utilise the net proceeds from the Disposal for repayment of interest-bearing borrowings, general operation and working capital purpose.

Upon Completion, the Target Company will cease to be a subsidiary of each of the WOG Group and the CAP Group, and the financial results of the Target Group will no longer be consolidated into the financial statements of the WOG Group and the CAP Group.

INFORMATION ON THE PURCHASER

The Purchaser is a company established in the PRC and is principally engaged in production, sales, processing, transportation, storage of agricultural products and park management services. It is ultimately wholly owned by Huai'an Qingjiangpu Government as at the date of this joint announcement.

To the best of the knowledge, information and belief of the directors of each of WOG and CAP, having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owner(s) is a third party independent of each of WOG, CAP and their respective connected persons.

INFORMATION ON THE WOG GROUP, THE CAP GROUP AND THE VENDOR

The WOG Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment, property development and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.0%-owned listed subsidiary of WOG; (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (Stock Code: 897), an approximately 72.02%-owned listed subsidiary of WOG; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximately 57.09%-owned listed subsidiary of WOG.

The CAP Group is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in the PRC.

The Vendor is a company established in the Hong Kong with limited liability and an indirect wholly-owned subsidiary of CAP, which is principally engaged in investment holding.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Target Company was established by CAP in 2013 for agricultural products and by-products wholesale market operations in Huai'an city of Jiangsu province. The Target Group has been loss-making since 2021. For illustration, the unaudited consolidated net losses of the Target Group amounted to approximately HK\$22.9 million, HK\$12.2 million and HK\$13.6 million for the three financial years ended 31 March 2022, 2023 and 2024 respectively. The CAP Directors consider that the sub-optimal track record of the Target Group is primarily attributable to the competition from other agri-products wholesale markets in Huai'an city. In light of such sub-optimal performance for more than 3 years, the CAP Group's management has sought to divest from the Target Group. Further, the initial Consideration of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) represented an approximate 34% premium over the unaudited consolidated net assets value attributable to the owners of the Target Group as at 31 March 2024 of approximately HK\$23.73 million, and also that the Purchaser will be funding for the repayment of the CAP Loans which effectively represent additional purchase price payable to the CAP Group that can enhance the CAP Group's working capital position. Taking into account the terms of the Disposal including the value of the initial Consideration and the repayment amount of the CAP Loans, the WOG Board and the CAP Board consider that the Disposal will save the WOG Group and the CAP Group from further incurring ongoing expenses and any expenses for future capital investments and be able to yield substantial cash proceeds which the CAP Group may deploy as detailed in the section headed "FINANCIAL EFFECT AND INTENDED USE OF PROCEEDS" of this joint announcement, and is therefore in the commercial interest of the WOG Group and the CAP Group as compared to remaining invested in the Target Group, which for a prolonged period of time has not generated any profit that benefit the WOG Group and the CAP Group substantively.

Having taken into account of the above reasons and benefits, the WOG Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been determined on an arm's length basis, are fair and reasonable and in the interests of WOG and its shareholders as a whole.

Having taken into account of the above reasons and benefits, the CAP Directors are of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, which have been determined on an arm's length basis, are fair and reasonable and in the interests of CAP and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder exceeds 25% but is less than 75% for each of WOG and CAP, the entering into of the Sale and Purchase Agreement constitutes a major transaction for each of WOG and CAP and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

A special general meeting will be convened by WOG to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder. A circular containing, among other things, details of the Sale and Purchase Agreement and the transactions contemplated thereunder and a notice of special general meeting of WOG is expected to be despatched to its shareholders on or before 17 June 2024.

To the best of the knowledge, information and belief of the CAP Directors, after having made all reasonable enquiries, no shareholder of CAP is required to abstain from voting if CAP were to convene a special general meeting for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder. On 25 May 2024, CAP received a written approval from each of Rich Time Strategy Limited and Onger Investments Limited (each an indirect subsidiary of WOG), being a closely allied group of shareholders of CAP, each holding 3,674,814,532 and 2,007,700,062 shares of CAP and collectively holding 5,682,514,594 shares of CAP in aggregate, representing approximately 57.09% of the total issued share capital of CAP, carrying rights to vote at a general meeting of CAP, approving the Sale and Purchase Agreement and the transactions contemplated thereunder pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of CAP.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further information of the Sale and Purchase Agreement and the transactions contemplated thereunder is required to be despatched to the shareholders of CAP on or before 17 June 2024.

Shareholders and potential investors of both WOG and CAP should be aware that completion of the Disposal is subject to certain conditions precedent under the Sale and Purchase Agreement, as set out in the section headed "THE SALE AND PURCHASE AGREEMENT — Conditions Precedent" of this joint announcement, and therefore may or may not take place. Investors are advised to exercise caution when dealing in the securities of both WOG and CAP and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“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: 0149)
“CAP Board”	the board of the CAP Directors
“CAP Directors”	the directors of CAP
“CAP Group”	CAP and its subsidiaries
“CAP Loans”	intercompany loans owed by the Target Company to certain indirect wholly-owned subsidiaries of CAP, which amounted to approximately RMB140.47 million (equivalent to approximately HK\$154.94 million) as at the date of this joint announcement
“Completion”	the completion of the sale and purchase of the Target Company after the requisite registration and filing with the relevant State Administration for Market Regulation in the PRC
“Completion Date”	the date of Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Disposal of an initial sum of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million), subject to adjustments
“Disposal”	the disposal of the Target Equity by the Vendor to the Purchaser pursuant to the terms and conditions for the Sale and Purchase Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Hongjin Qingjiang”	淮南市宏進清江農副產品批發市場有限公司 (Huai’an Hongjin Qingjiang Agricultural and By-Products Wholesale Market Co., Ltd.*), a company established in the PRC with limited liability and a direct non-wholly owned subsidiary of the Target Company as at the date of this joint announcement
“Huai’an Qingjiangpu Government”	淮南市清江浦區人民政府 (the People’s Government of Qingjiangpu district of Huai’an city)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Property”	the property comprising unsold portion of an agri-products logistic market mainly consisting of (i) 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (279,385 sq.ft.) for retail, wholesale, storage, office and facility uses, which is situated in the north of Bei Huan Road and east of Huaihai South Road, Qing Pu District, Huai’an, Jiangsu Province, the PRC (江蘇省淮南市清浦區北環路北側及淮海南路東側), which is owned and used by the Target Company as an agricultural products and by-products wholesale market as at the date of this joint announcement
“Purchaser”	淮南市清江浦融豐農業開發有限公司 (Huai’an Qingjiangpu Rongfeng Agricultural Development Co., Ltd.*) (formerly known as 淮南市清浦區文化傳播有限公司 (Huai’an Qingpu District Cultural Communication Co., Ltd.*), a company established in the PRC with limited liability and is ultimately owned by the Huai’an Qingjiangpu Government as at the date of this joint announcement

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 25 May 2024 entered into among the Vendor, the Purchaser, the Target Company and Hongjin Qingjiang in relation to, among others, the Disposal
“SAMR Approval Date”	the date on which the registration for change of shareholders in connection with the transfer of the Target Equity having been approved by the relevant State Administration for Market Regulation in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	淮安宏進農副產品物流有限公司 (Huai’an Hongjin Agricultural By-Products Logistics Co., Ltd.*), a company established in the PRC with limited liability which is an indirect wholly-owned subsidiary of CAP as at the date of this joint announcement
“Target Equity”	100% of the equity interests in the Target Company held by the Vendor
“Target Group”	the Target Company and its subsidiary(ies)
“USD”	United States dollar(s), the lawful currency of the United States of America
“Vendor”	Grandwick Limited 僑域有限公司, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of CAP as at the date of this joint announcement
“WOG”	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)
“WOG Board”	the board of the WOG Directors
“WOG Directors”	the directors of WOG

“WOG Group” WOG and its subsidiaries

“sq.m.” square meters

“%” per cent

By order of the board of directors of
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman and Executive Director

By order of the board of directors of
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易有限公司
Leung Sui Wah, Raymond
Executive Director and Chief Executive Officer

Hong Kong, 25 May 2024

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

As at the date of this joint announcement, the CAP Board comprises Mr. Tang Ching Ho, Mr. Leung Sui Wah, Raymond, Mr. Wong Ka Kit and Ms. Luo Xu Ying as executive directors, and Mr. Lau King Lung, Mr. Wong Ping Yuen and Mr. Li Yin Quan as independent non-executive directors.

For the purpose of this joint announcement, unless otherwise specified, the conversion of HK\$ into RMB is based on the approximate exchange rate from HK\$1 to RMB0.90655. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* *For identification purpose only*