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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisor.

If you have sold or transferred all your securities in Wang On Group Limited (宏安集團有限公司)*, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANY
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

A letter from the Board is set out on pages 6 to 17 of this circular.

A notice convening the SGM to be held at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong on Monday, 8 July 2024 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 of this circular.

Whether or not you are able to attend and vote in person at the SGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise specifies, the following expressions have the following meanings:

“associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “percentage ratio(s)” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Board”	the board of the Directors
“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, the shares of which 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 specified in the Sale and Purchase Agreement
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“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 on which Completion takes place

DEFINITIONS

“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
“Director(s)”	the director(s) of the Company
“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hongjin Qingjiang”	淮安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 Latest Practicable Date
“Huai’an Qingjiangpu Government”	淮安市清江浦區人民政府 (the People’s Government of Qingjiangpu district of Huai’an city)
“Latest Practicable Date”	12 June 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Tang”	Mr. Tang Ching Ho, the chairman of the Company and an executive Director and a controlling Shareholder
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan Region

DEFINITIONS

“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. (approximately 1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (approximately 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 (江蘇省淮安市清浦區北環路北側及淮海南路東側), which was owned and used by the Target Company as an agricultural products and by-products wholesale market as at the Latest Practicable Date
“Purchaser”	淮安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 淮安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 was ultimately owned by the Huai’an Qingjiangpu Government as at the Latest Practicable Date
“Remaining Group”	the Group immediately after completion of the Disposal
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held for the purpose of, among others, approving the Sale and Purchase Agreement and the transactions contemplated thereunder
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“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 was an indirect wholly-owned subsidiary of CAP as at the Latest Practicable Date
“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 was an indirect wholly-owned subsidiary of CAP as at the Latest Practicable Date
“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) and a 75%-owned listed subsidiary of the Company
“WOP Group”	WOP and its subsidiaries

DEFINITIONS

“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)
“WYT Group”	WYT and its subsidiaries
“sq.m.”	square meters
“%”	per cent

For the purpose of this circular, 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.

LETTER FROM THE BOARD



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

Mr. Tang Ching Ho, GBS, JP (Chairman)

Ms. Yau Yuk Yin (Deputy Chairman)

Ms. Stephanie

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

Mr. Wong Chun, Justein, BBS, MBE, JP

Mr. Siu Kam Chau

Mr. Chan Yung, BBS, JP

Head office and principal

place of business in Hong Kong:

Suite 3202, 32/F., Skyline Tower

39 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

17 June 2024

To the Shareholders

Dear Sir or Madam,

**(1) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET COMPANY
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the joint announcement dated 25 May 2024 jointly issued by the Company and CAP in relation to among others, the Sale and Purchase Agreement. 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.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (a) further particulars of the Sale and Purchase Agreement; (b) a valuation report on the Property; (c) a notice convening the SGM; and (d) other information as required by the Listing Rules.

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 Latest Practicable Date (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 Latest Practicable Date. 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 in the amount of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million) for the Target Company's repayment of the CAP Loans within 14 business days of the SAMR Approval Date.

LETTER FROM THE BOARD

Consideration

The Consideration for the Disposal is initially approximately 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, which takes into account the Property's valuation as at 31 March 2024 of approximately RMB156 million (equivalent to approximately HK\$172.08 million), the principal amount of the CAP Loans of approximately RMB140.47 million (equivalent to approximately HK\$154.94 million), and other

LETTER FROM THE BOARD

assets and liabilities of the Target Company arising from its principal business, being the operation and management businesses of agricultural products market. The difference between the amount of the initial Consideration and the net asset value of the Target Company as at 31 March 2024 represents a premium arising from the parties' negotiations based on a number of factors including but not limited to the Purchaser's own assessment of the Target Company and its prospects.

The maximum upward adjustment amount of RMB42.81 million, i.e. (RMB71.71 million minus RMB28.90 million), represents the Vendor's estimation of the maximum upward changes to the Target Company's asset positions after 31 December 2023 (being the net asset value reference date) which principally takes into account possible asset revaluation expected to be recorded by the Target Group referred to above. As disclosed above, the amount of adjustment to the Consideration will be assessed by an independent auditor and in the event the Vendor and the Purchaser could not reach agreement on the amount of adjustment, both parties will have the right to terminate the Sale and Purchase Agreement. CAP will review the adjustment to the Consideration when it becomes available and assess whether it fairly represents the changes to the Target Group's changes in its asset positions.

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;

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- (vi) each of the Company 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 the Company and CAP approving the Sale and Purchase Agreement and the transactions contemplated thereunder, where appropriate;
- (vii) each of the 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 Latest Practicable Date, 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 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.

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.

LETTER FROM THE BOARD

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

Pursuant to the Sale and Purchase Agreement, if the Purchaser fails to perform any of its obligations to settle the Consideration, to provide funding to the Target Company for the repayment of the CAP Loans, or to procure the Target Company to repay the CAP Loans, it will become liable to pay compensation to the Vendor at a daily rate of 0.01% of the adjusted Consideration and, on continued default of more than 60 days, an additional compensation at 20% of the Consideration whereupon the Vendor shall also have the right to terminate the Sale and Purchase Agreement.

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 Latest Practicable Date, the principal asset of the Target Group was 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. (approximately 1,093,943 sq.ft.); and (ii) various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (approximately 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). As at the Latest Practicable Date, the Property was 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.

LETTER FROM THE BOARD

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 EFFECTS AND INTENDED USE OF PROCEEDS FROM THE DISPOSAL

Assets and liabilities

Having taken into account the initial Consideration and the unaudited net asset value of the Target Group as at 31 March 2024, it is estimated that upon Completion, the total assets of the Group will decrease by approximately HK\$13.76 million. The total liabilities of the Group will decrease by approximately HK\$52.21 million. It is estimated that the net assets of the Group will have an increase of approximately HK\$38.45 million, being the net effect of the changes of the total assets and total liabilities of the Group.

Earnings

Upon Completion, the Group is 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

LETTER FROM THE BOARD

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 aforesaid exchange reserves are recorded since the consolidated financial statements of the Group are presented in HK\$, whereas the functional currency of the Target Company is RMB. Accordingly, at the end of each financial reporting period, the assets and liabilities of the Target Company are translated into HK\$ at the exchange rates then prevailing at the end of the reporting period and its statement of profit or loss is translated into HK\$ at the exchange rates prevailing at the dates of the relevant transactions. The resulting exchange differences are recognised in the Company's other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of the Target Company, the cumulative amount in the Company's reserve relating to the Target Company (which for the purpose of the Company's financial statement is regarded as a foreign operation) is recognised in the statement of profit or loss, which is included in determining the financial effect of the Disposal on the Group. Subject to adjustments as described above in the section headed "THE SALE AND PURCHASE AGREEMENT — Consideration" in this circular, the initial Consideration of approximately RMB28.90 million (equivalent to approximately HK\$31.88 million) exceeds the net assets attributable to the owners of the Target Group as at 31 March 2024, which amounted to approximately HK\$23.73 million, by an amount of approximately HK\$8.15 million.

Save for the aforesaid, there is not expected to be any material change to the profit attributable to the Shareholders following Completion.

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

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 the Group, and the financial results of the Target Group will no longer be consolidated into the financial statements of the 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 was ultimately wholly owned by Huai'an Qingjiangpu Government as at the Latest Practicable Date.

LETTER FROM THE BOARD

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

INFORMATION ON THE GROUP AND THE VENDOR

The Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment, property development and asset management in Hong Kong through WOP; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP.

The Vendor is a company established in 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 after tax 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 Target Company's 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, the possible upside up to the maximum amount of the adjusted Consideration, the Vendor's right to terminate the transaction if the amount of adjustment to the Consideration cannot be agreed between the Vendor and the Purchaser, and the Purchaser's undertaking to fund the Target Company's repayment of the CAP Loans, the Board considers that the Disposal presents an opportunity for the Group to divest from the Target Group without having to further support the daily operational expenses of the Target Group and its future capital investment needs, and at the same time yielding substantial cash proceeds which the CAP Group may deploy as detailed in the section headed "FINANCIAL EFFECT AND INTENDED USE OF PROCEEDS FROM THE

LETTER FROM THE BOARD

DISPOSAL” of this circular, and is therefore in the commercial interest of the 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 Group substantively.

Having taken into account of the above reasons and benefits, the 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 the Company and the 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 the Company, the entering into of the Sale and Purchase Agreement constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

No Director has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting on the Board resolutions of the Company to approve any of the same.

The Shareholders who have a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and their respective associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the SGM. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder has a material interest in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder and is required to abstain from voting at the SGM.

SPECIAL GENERAL MEETING

The SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder.

The register of members of the Company will be closed from Wednesday, 3 July 2024 to Monday, 8 July 2024 (both dates inclusive) for determining the identity of the Shareholders entitled to attend and vote at the SGM. No transfer of Shares will be registered during the book closure periods.

LETTER FROM THE BOARD

A notice convening the SGM at which ordinary resolution(s) will be proposed to the Shareholders to consider and, if thought fit, approve, among other things, the provision of the Sale and Purchase Agreement and the transactions contemplated thereunder, is contained on pages SGM-1 to SGM-2 of this circular.

A form of proxy for the use at the SGM is enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the SGM (i.e. at or before 11:00 a.m. on Saturday, 6 July 2024) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules and the bye-laws of the Company, the voting of the Shareholders at the SGM will be taken by poll. The results of the poll will be published on the websites of the Company and the Stock Exchange.

RECOMMENDATION

Your attention is drawn to the letter and valuation report of RHL Appraisal Limited (an independent valuer appointed by CAP) with respect to their valuations of the Property as at 30 April 2024, which is set out in Appendix II to this circular.

The Shareholders are advised to read the aforesaid letter and report before deciding how to vote at the SGM.

For the reasons set out above, the Directors consider that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution(s) at the SGM for the Sale and Purchase Agreement and the transactions contemplated thereunder.

SPECIAL NEEDS

If you have any particular access request or special needs for participating in the SGM, please do not hesitate to contact the Company via email at pr@wangon.com or by telephone at (852) 2312 8288 on or before 2 July 2024.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman and Executive Director

1. INDEBTEDNESS STATEMENT

As at the close of business on 30 April 2024, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Group had outstanding bank and other loans of approximately HK\$6,561.1 million, of which bank loans with an aggregate amount of approximately HK\$4,105.2 million were secured by the Group's property, plant and equipment, investment properties and certain rental income generated therefrom, properties held for sale, properties under development, pledged deposit, financial assets at fair value through profit or loss, loan and interest receivables and share charges in respect of the entire interests of certain subsidiaries of the Group, which are engaged in property investment and development. The Group also provided guarantee(s) to banks in respect of banking facilities extended to joint ventures and customers in favour of certain banks for the loans provided by the bank in an amount not exceeding approximately HK\$370.4 million and HK\$21.9 million, respectively. Moreover, the Group's lease liabilities amounted to approximately HK\$747.4 million as at 30 April 2024.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Group did not have, at the close of business on 30 April 2024, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

2. WORKING CAPITAL STATEMENT

According to the agreements of certain bank and other borrowings of the Group, certain amounts of the Group's bank and other borrowings will be due and repayable within the next 12 months from the date of this circular. In consideration of that, the Directors plan to negotiate with the relevant lenders on the refinancing of these borrowings and/or obtain new banking facilities as needed. In addition, the Directors have formulated certain plans and measures to mitigate the liquidity pressure of the Group, including accelerating pre-sales and sales of properties, speeding up collection of outstanding sales proceeds and disposal of properties projects/assets.

In the opinion of the Directors, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the successful obtaining of new banking facilities and refinancing of the existing borrowings; (ii) the successful and timely implementation of the plans to accelerate the pre-sales and sales of properties under development and completed

properties, and speed up collection of outstanding sales proceeds, and (iii) the successful and timely completion of the disposal of properties projects/assets in accordance with the amounts and timing anticipated by the Group.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the Group's ability to refinance its existing borrowings upon maturity through refinancing of existing borrowings and/or obtaining new banking facilities; (ii) the Group's internal resources, continual cash inflows from operations, and existing banking facilities available to the Group; and (iii) net proceeds from disposal of the Group's properties projects/assets, including the effect of the Disposal, the Group has sufficient working capital to satisfy its requirements for at least twelve (12) months from the date of this circular.

3. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is engaged in the businesses of the management of fresh market and treasury management. Meanwhile, it is also engaged in operation of developing residential and commercial properties for sale and investing in commercial and industrial properties for investment return and capital appreciation through its subsidiary, WOP, as well as the manufacturing and retailing of Chinese and western pharmaceutical through its subsidiary, WYT, and management and sales of properties in agricultural produce exchange markets in the PRC through its subsidiary, CAP. There is no change in the Group's principal activities since 31 March 2023, being the date on which the latest published audited consolidated financial statements of the Group were made up, and there is not expected to be any change to the Remaining Group's principal business as a result of completion of the Disposal.

The real GDP of Hong Kong grew by 4.3% year-on-year in the fourth quarter of 2023. Moreover, Hong Kong's latest unemployment rate stood at 2.9% for the period between November 2023 and January 2024.

On the other hand, the interest rate in the United States still remains at a high level, which inevitably affects the global money flow and asset prices. Under this macro environment, the Hong Kong One Month Interbank Rate stood at 4.6% at the end of April 2024, which slightly declined from 4.8% at the beginning of January 2024, while the annual inflation rate in Hong Kong slightly dropped to 2.1% in February 2024 from 2.4% in December 2023.

Rising interest rates and constant inflation can pose challenges for businesses. Higher interest rates make borrowing more expensive, which can dampen investment and consumer spending. However, the labour market is showing improvement and economic activities are gradually normalising. These are positive signs that the economy is on a path to recovery. For the WOP Group, all "spicy" measures imposed on the property market have been scrapped, and a stamp duty

suspension mechanism for eligible incoming talents purchasing residential properties in Hong Kong has been carried out. All these measures should have positive impacts on the property market. The fresh market operations have been a cash flow generating and profitable business over the past decades. Nevertheless, the environment for fresh market operations will become more competitive as the number of fresh markets and operators has increased and also as a result of the gradual acceptance of online shopping and delivery services. During previous financial year, there was huge increase in interest rate, together with the continued reduction of economic activities and inflation which continue to dampen consumption, the Group considers that the cost and risk of operating fresh markets have increased and the Group will adopt a cautious and prudent approach in operation.

The WYT Group remains committed to providing high-quality Chinese medicine practitioners' consultation services, and focuses on offering tailored and professional services to meet the unique needs of every consumer as well as supplying specialised therapeutic Traditional Chinese Medicine (“TCM”) consultation. In addition to service enhancements, the WYT Group is dedicated to improving its customer relationship management (CRM) system to build stronger and closer relationships with its consumers, to strengthen customer engagement and loyalty, as well as to foster trust and long-term relationships. Looking ahead, the national policy for the Guangdong-Hong Kong-Macau Greater Bay Area offers a positive outlook for the business of Chinese pharmaceutical and health food products. This shows opportunities for the WYT Group's growth and expansion in the Greater Bay Area.

Regarding the Western pharmaceutical products, the WYT Group has strengthened the sales and extended the distribution in the retail channels, like Mannings, Watson's and the supermarket chains for our flagship brand, “Madame Pearl's”. By recruiting the strategic distribution partners for the “Madame Pearl's” cough-syrup in Mainland China as well as launching more medicines for treating upper respiratory infection (URI) under the brand name of “Madame Pearl's” to build up “Madame Pearl's” as the “Specialist of Upper Respiratory Infection”. The WYT Group expects a strong growth in the coming years. The WYT Group is also developing the cross-border e-commerce business to reach the consumers in the Greater Bay Area and Asia Pacific Region.

The agricultural development is the PRC central government's first priority policy for the next few 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 promoting investments in agricultural produce exchange markets, expanding agricultural produce network, building logistic infrastructure and storage facilities for agricultural produce and improving regional cold storage infrastructure. Moreover, the “Belt and Road Initiative” policy will be the key element for the overall growth of the PRC economy and offer a sustainable way for the PRC's ongoing development.

For new business opportunities, the CAP Group has taken further steps to expand its operations in the PRC by cooperating with various partners with an “asset light” strategy. It has also explored electronic platform development to explore the opportunity of technology advancement brought by the PRC government’s promotion of data economy. Also, the CAP Group’s scope is further expanded for the wet market and trading in order to consolidate its leading position in the industry.

The Group has a healthy financial position and expects continued growth through its diversified business. This provides the Group with a high degree of flexibility and sets a strong foundation for its sustainable development. By maintaining a proactive and prudent investment approach, the Group can capitalise on opportunities to drive business growth across all its segments. Overall, a healthy financial position and diversified business operations would facilitate the sustainable development and long-term success of the Group.

The Disposal will enable the CAP Group to reallocate its resources into repayment of interest-bearing borrowings, general operation and working capital purpose.

The following is the text of a letter, and valuation report, prepared for the purpose of incorporation in this Circular received from RHL Appraisal Limited, an independent valuer, in connection with its valuation of the properties held by Wang On Group Limited, together with its subsidiaries as at 30 April, 2024.



永利行評估顧問有限公司
RHL Appraisal Limited
Corporate Valuation & Advisory

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Room 1010,10/F, Star House,
Tsimshatsui, Hong Kong

17 June 2024

The Board of Directors
Wang On Group Limited
Suite 3202, 32/F,
Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties interests (the “**Unsold Properties**”) held by Wang On Group Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the such property interest as at 30 April 2024 (the “**Valuation Date**”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (the “**Market Value**”) which we would define as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION METHODOLOGY

We have valued property by using direct comparison method, which is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with all the requirements contained in Chapter 5, Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards 2022.

VALUATION ASSUMPTION

In our valuation, unless otherwise stated, we have assumed that:

- a. all necessary statutory approvals for the Properties or the subject building of which the Properties forms part of their use have been obtained;
- b. transferable land use rights in respect of the Properties for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- c. the owners of the Properties have enforceable titles to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted;
- d. no deleterious or hazardous materials or techniques have been used in the construction of the Properties;
- e. the Properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown; and
- f. the Properties are connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing titles to the property interest or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Group's PRC legal advisers, Guangdong Zhuo Jian Law Firm, concerning the validity of the titles to the property interests.

LIMITING CONDITIONS

We have conducted on-site inspections in April 2024 by Ms. Liu Jing (MSc in Geo-information Science).

During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property are free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Should it be discovered that any contamination, subsidence or other latent defect exists in the Property or on adjoining or neighboring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied to a very considerable extent on the information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property. The plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Property for reference only and we assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Group. Neither have we verified the correctness of any information supplied to us concerning the Property.

REMARKS

We have valued the property in Renminbi (RMB).

We enclose herewith the “Property Particulars and Opinion of Value”.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Jessie X. Chen
MRICS, MSc (Real Estate), BEcon
Senior Associate Director

Jenny S. L. Mok
MHKIS, MRICS, BSc (Hons)
Senior Manager

Ms. Jessie X. Chen is a Registered Professional Surveyor (Valuation) with over 10 years’ experience in valuation of properties in HKSAR, Macau SAR, mainland China and the Asia Pacific Region. Ms. Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

Ms. Jenny S. L. Mok is a Chartered Surveyor with over 10 years’ experience in valuation of properties in HKSAR and mainland China. Ms. Mok is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market Value as at 30 April 2024 RMB
Huai'an Hong-Jin Agri-Products International Logistics Centre, north of Bei Huan Road and east of Huaihai South Road, Qing Pu District, Huai'an, Jiangsu Province, the PRC (位於中華人民共和國江蘇省淮安市清浦區北環路北側及淮海南路東側之淮安宏進農副產品國際物流中心)	The property comprises unsold portion of a Agri-products logistic market mainly consisting of 2 parcels of adjacent land with a total site area of approximately 101,630.60 sq.m. (1,093,943 sq.ft.). The property comprises various buildings and structures with a total gross floor area of approximately 25,955.73 sq.m. (279,385 sq.ft.). The property is completed in about 2016 to 2021 for retail, wholesale, storage, office and facility uses. The land use rights of the property have been granted for a term expiring latest on 23 October 2054 for wholesale and retail uses.	The property is operated by the owner as an agricultural products and by-products wholesale market.	156,000,000 (RENMINBI ONE HUNDRED AND FIFTY SIX MILLION ONLY) 100% interest attributed to the Group: RMB156,000,000

Notes:

- Pursuant to a State Land Use Rights Contract — State-owned Land Use Rights Grant Contract No.3208012013CR0045 (國有建設用地使用權出讓合同編號 3208012013CR0045), the land use rights of the property with a total site area of approximately 53,178.00 sq.m. have been granted to Huai'an Hong-Jin Agricultural By-Products Logistics Limited (淮安宏進農副產品物流有限公司) (“**Huai'an Hong-Jin**”), an indirect wholly-owned subsidiary of the Company, with details as follows:

Restricted Items	Parameters
Plot Ratio	No more than 1.2
Site Coverage	No more than 50%
Building Height Restriction	100m
Ratio of Green Space	No less than 20%
Maximum Gross Floor Area	63,813.60 sq.m.

2. Pursuant to a State Land Use Rights Contract — State-owned Land Use Rights Grant Contract No.3208012014CR0447 (國有建設用地使用權出讓合同編號 3208012014CR0447), the land use rights of the property with a total site area of approximately 48,452.60 sq.m. have been granted to Huai'an Hong-Jin with details as follows:

Restricted Items	Parameters
Plot Ratio	No more than 1.2
Site Coverage	No more than 50%
Building Height Restriction	n/a
Ratio of Green Space	No less than 20%
Maximum Gross Floor Area	58,143.12 sq.m.

3. Pursuant to State-owned Land Use Rights Certificate — Huai Guo Yong (2014) Di No. 11012 (淮國用(2014)第11012號), the land use rights of the property with a total site area of approximately 53,178.00 sq.m. was granted to Huai'an Hong-Jin, an indirect wholly-owned subsidiary of the Company for a term expiring on 20 June 2054 for wholesale and retail uses. As advised by the Company, the subject land parcels were acquired on 29 January 2013 at a total land grant premium at RMB42,000,000.
4. Pursuant to State-owned Land Use Rights Certificate — Huai Guo Yong (2014) Di No. 17295 (淮國用(2014)第17295號), the land use rights of the property with a total site area of approximately 48,452.60 sq.m. was granted to Huai'an Hong-Jin for a term expiring on 23 October 2054 for wholesale and retail uses. As advised by the Company, the subject land parcels were acquired on 4 September 2014 at a total land grant premium at RMB44,000,000.

Pursuant to the legal opinion, pursuant to various Building Ownership Certificates, the building ownership with a total gross floor area of approximately 14,330.35 sq.m., has been vested in Huai'an Hong-Jin. Among which, portion of the property with a total gross floor area of 2,919.15 sq.m. has been sold and all the payment have been settled. But the purchaser has not yet gone through the transfer registration procedures, the lawyer consider such portion had been sold. Therefore, we have only taken account properties with gross floor area of 11,411.20 sq.m. as the unsold portion in the valuation.

5. Pursuant to the legal opinion, level 4 of block A5 with gross floor area of 844.53 sq.m. is used for property management office use but without real estate right certificate. As property management office is part of facility in the whole development and the construction of such portion has been applied and accepted when completed. The lawyer considered such portion can be used legally.
6. There are 7 steel frame sheds on the site which called zone C. They are permitted pursuant to 7 Temporary Construction Work Planning Permits dated 3 September 2021 expiring on 2 September 2024. As stated, the total construction area is at 13,700 sq.m. with details as below:

Certificate No.	Block No.	Permitted GFA (sq.m.)
320812202100577	C-1#	2,400
320812202100578	C-2#	2,400
320812202100579	C-3#	2,400
320812202100580	C-4#	2,400
320812202100581	C-5#	2,400
320812202100582	C-6#	1,000
320812202100583	Storehouse	700
Total		13,700

7. Refer to the legal opinion by the Group's PRC legal adviser, Guangdong Zhou Jian Law Firm, dated 11 June 2024, regarding the legal title of the property, which contains, inter alia, the followings:
- i. the property is legally held by Huai'an Hong-Jin;
 - ii. all land premium of the property has been fully settled by Huai'an Hong-Jin;
 - iii. the property with a site area of approximate 48,452.60 sq.m. is subject to mortgage in favour of Bank of Suzhou Corporation Limited Huai'an Branch (蘇州銀行股份有限公司淮安分行) with a lump sum of RMB48,400,000. We have not taken into account such mortgage in our valuation;
 - iv. the property with a total gross floor area of approximate 1,397.24 sq.m. is subject to mortgage in favour of Bank of Suzhou Corporation Limited Huai'an Branch (蘇州銀行股份有限公司淮安分行) with a lump sum of RMB8,640,000. We have not taken into account such mortgage in our valuation;
 - v. the property with a total gross floor area of approximate 3,358.42 sq.m. is subject to mortgage in favour of Jiangsu Huaian Rural Commercial Bank Corporation Limited (江蘇淮安農村商業銀行股份有限公司) with a lump sum of RMB15,000,000. We have not taken into account such mortgage in our valuation;
 - vi. Huai'an Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of individual units with real estate title certificates separately in the market;
 - vii. Huai'an Hong-Jin is entitled to freely transfer, lease, mortgage or dispose of the property as a whole in the market;
 - viii. the temporary sheds can be occupied or leased in the market, but cannot be mortgaged or transferred in the market; and
 - ix. except for (iii), (iv) and (v), the property is free from any mortgage or third parties' encumbrance.
8. Portions of property including some apartments and shops had been sold but have not delivered to purchaser, we have included such in our valuation based on the consideration.

9. As the property includes various shops, apartment and vacant site. We have assessed the property based on respective usage to come out a total market value, break down area of the property is as below:

Property Type	Gross Floor Area (sq.m.)	Breakdown Value (RMB) (ROUNDED)
<i>Sold But Not Yet Delivered Portion</i>		
Apartment	225.96	670,000
Inner Street Shop	265.54	910,000
Sub Total	491.50	1,580,000
Unsold Portion		
Apartment	4,771.72	15,460,000
Street-face Shop	1,449.15	6,170,000
Inner Street Shop	4,698.83	19,020,000
Facility	844.53	No Commercial Value
Shed	13,700.00	10,540,000
		(Refer to Construction Cost)
Vacant Site	(Site Area 100,122.09)	103,580,000
Sub Total	24,619.70	154,770,000
Total	25,955.73	156,000,000

We have identified various relevant comparable which satisfied the selection criteria on time, usage, condition and location. The comparable with price too high or too low are excluded.

Below are comparable tables:

Shop:

Comparables	A	B	C	D	E
Address	Shop unit at Zone A2, Gold List Garden, 16 Mingyuan Road	Shop unit at Hancheng Plaza, 33 Tianjin Road	Shop unit at Zone A1, Gold List Garden, 16 Mingyuan Road	Shop unit at South Gate of Southern Garden, 23 Feiyao Road	Shop unit at West Southern Zone, 23 Feiyao Road
Date of Asking	April 2024	April 2024	March 2024	April 2024	April 2024
Approximate gross floor area (sq.m.)	70.00	98.00	100.00	330.00	215.00
Asking price (RMB)	580,000	800,000	720,000	2,360,000	1,750,000
Unit rate (RMB/sq.m.)	8,286	8,163	7,200	7,152	8,140

We have compared the factors and made adjustments on asking discount, location, size and condition. Downward adjustment on price as asking discount is made to reflect to negotiation. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location, downward adjustment is made due to comparable is in better location. Further discount on the condition is made to reflect the difference between subject property and the comparable.

After making the above due adjustments, the five adjusted unit rates are assigned with the same weight and represent a weighted average of RMB4,260 per sq.m. on the basis of gross floor area.

Residential:

Comparables	Transaction A	Asking B	Asking C	Asking D
Address	Unit at Balsa Pond, 15 Shantou Road	Unit at Balsa Pond, 15 Shantou Road	Unit at Balsa Pond, 15 Shantou Road	Unit at Brick Well Garden, 8 Hong Heng Sheng Road
Date of Asking/Transaction	March 2024	March 2024	March 2024	March 2024
Approximate gross floor area (sq.m.)	77.00	52.00	87.00	73.51
Asking / Transaction price (RMB)	298,000	310,000	520,000	400,000
Unit rate (RMB/sq.m.)	3,870	5,962	5,977	5,441

We have compared the factors and made adjustments on asking discount, location, size, floor and condition. Downward adjustment on price as asking discount is made to reflect to negotiation. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location, downward adjustment is made due to comparable is in better location. Floor factor is also adjusted based on better view and air ventilation on higher floor and vice versa. Further discount on the condition is made to reflect the difference between subject property and the comparable.

After making the above due adjustments, the three adjusted unit rates are assigned with the same weight and represent a weighted average of RMB3,240 per sq.m. on the basis of total gross floor area.

Land:

Comparables	A	B	C	D
Address	A parcel of land at North of Tianming Road	A parcel of land at North of Chunhui Road	A parcel of land at South of Tongfu Road	A parcel of land at East of South Huaihai Road
Lot No.	Huai Ziran (Pu) Gua 2023 No.19	Huai Ziran (Gong) Gua 2023 No.7	Huai Ziran (Gong) Gua 2023 No.2	Huai Ziran (Pu) Gua 2021 No.20
Date of Transaction	October 2023	November 2023	May 2023	January 2022
Usage	Retail commercial land	Retail commercial land	Retail commercial land	Wholesale market land
Site area (sq.m.)	55,086.00	58,846.00	84,043.00	110,875.40
Plot Ratio	3.00	3.00	2.00	1.20
Permitted Gross Floor Area (sq.m.)	165,258.00	176,538.00	168,086.00	133,028.88

Comparables	A	B	C	D
Transaction price (RMB)	221,000,000	220,000,000	248,000,000	111,200,000
Unit rate (RMB/sq.m.)	1,337	1,246	1,475	836
Remaining Tenure (year)	39.57	39.63	39.13	37.80

We have compared the factors and made adjustments on location, usage, size, and tenure. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. For location factors, upward adjustments have been made on comparable A and B while discount has been given to comparable C. No adjustment on location of comparable D is made. As all comparable are newly acquired land with longer land use right tenure comparing to land use right of subject property, discount is made on tenure.

After making the above due adjustments, the four adjusted unit rates are assigned with the same weight and represent a weighted average of RMB910 per sq.m. on the basis of total gross floor area.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange.

Long positions in the Shares:

Name of Director	Number of Shares held, capacity and nature of interest				Total	Approximate percentage of the Company's total issued share capital (Note f) %
	Personal interest	Family interest	Corporate interest	Other interest		
Mr. Tang Ching Ho ("Mr. Tang")	28,026,339	28,026,300 (Note a)	1,017,915,306 (Note b)	4,989,928,827 (Note c)	6,063,896,772	42.80
Ms. Yau Yuk Yin ("Ms. Yau")	28,026,300	1,045,941,645 (Note d)	—	4,989,928,827 (Note e)	6,063,896,772	42.80

Notes:

- (a) Mr. Tang was taken to be interested in those Shares in which his spouse, Ms. Yau, was interested.
- (b) 486,915,306 Shares were held by Caister Limited (a company wholly-owned by Mr. Tang), 531,000,000 Shares were held by Billion Trader Investments Limited (a direct wholly-owned subsidiary of Loyal Fame International Limited (“**Loyal Fame**”), a direct wholly-owned subsidiary of Easy One Financial Group Limited (“**Easy One**”), a direct wholly-owned subsidiary of Caister Limited which is in turn wholly-owned by Mr. Tang).
- (c) Mr. Tang was taken to be interested in those Shares by virtue of being the founder of a discretionary trust, namely Tang’s Family Trust.
- (d) Ms. Yau was taken to be interested in those Shares in which her spouse, Mr. Tang, was interested.
- (e) Ms. Yau was taken to be interested in those Shares by virtue of being a beneficiary of Tang’s Family Trust.
- (f) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

Interest in the shares and underlying shares of associated corporations of the Company:

Name of Director	Name of associated corporation	Nature of interest	Total number of shares involved	Approximate percentage of the associated corporation’s total issued share capital <i>(Note a)</i> %
Mr. Tang	CAP	Interest of controlled corporation	5,682,514,594 <i>(Note b)</i>	57.09
Ms. Yau	WYT	Interest of controlled corporation	810,322,940 <i>(Note c)</i>	72.02
	WOP	Interest of controlled corporation	11,400,000,000 <i>(Note d)</i>	75.00

Notes:

- (a) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

- (b) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, among of the 5,682,514,594 shares of CAP, 2,007,700,062 shares of CAP were held by Onger Investments Limited (“**Onger Investments**”) and 3,674,814,532 shares of CAP were held by Rich Time Strategy Limited (“**Rich Time**”). Each of Onger Investments and Rich Time was directly wholly-owned by Wang On Enterprises (BVI) Limited (“**WOE**”). WOE was directly wholly-owned by the Company.
- (c) 810,322,940 shares of WYT were held by Rich Time, which was wholly-owned by WOE.
- (d) 11,400,000,000 shares of WOP were held by Earnest Spot Limited (a direct wholly-owned subsidiary of WOE).

(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed below, no person (other than a Director or chief executive of the Company) had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO as at the Latest Practicable Date:

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company’s total issued share capital <i>(Note c)</i>
Accord Power Limited (“ Accord Power ”) <i>(Note a)</i>	Beneficial owner — Tang’s Family Trust	4,989,928,827	35.22
Alpadis Trust (HK) Limited <i>(Note b)</i>	Interest of controlled corporation — Trustee	4,989,928,827	35.22
Mr. Alain Esseiva <i>(Note b)</i>	Interest of controlled Corporation	4,989,928,827	35.22

Notes:

- (a) Accord Power was indirectly wholly-owned by Alpadis Trust (HK) Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, Alpadis Trust (HK) Limited was taken to be interested in those Shares held by Accord Power.
- (b) Alpadis Group Holding AG was held by ESSEIVA, Alain as to 91%. Accordingly, ESSEIVA, Alain was taken to be interested in those Shares in which Alpadis Group Holding AG was interested. TEO Wei Lee is the spouse of ESSEIVA, Alain and was therefore taken to be interested in those shares in which ESSEIVA, Alain was interested. Alpadis Trust (HK) Limited was the trustee of Tang's Family Trust. Alpadis Trust (HK) Limited was owned as to 20% by each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd., AGH Capital Ltd. and Alpadis Group Holding AG (each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd. and AGH Capital Ltd. was wholly owned by Alpadis Group Holding AG).
- (c) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.

As at the Latest Practicable Date, save as disclosed below, none of the Directors or proposed Directors was a director or employee of a company which had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company which had such discloseable interest or short position	Position with such company
Mr. Tang	Accord Power	director

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

Mr. Tang, the chairman and an executive Director, is the sole ultimate beneficial owner of Easy One, which has been principally engaged in, among others, financing business since 2015, and was considered to have an interest in business which competes or is likely to compete, either directly or indirectly, with the financing business of the Group. Ms. Stephanie, an executive Director, is a director of Easy One and the daughter-in-law of Mr. Tang. Ms. Yau, the deputy Chairman and an executive Director, is the spouse of Mr. Tang.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

On 1 August 2023, the Company (as lessee) and Golden Maker Investment Limited (a company indirectly wholly-owned by Mr. Tang, a Director, as lessor, “**Golden Maker**”) entered into a leasing agreement for leasing a car for a period of 60 months from 1 August 2023 at a quarterly rental fee of HK\$40,000.

On 6 September 2023, an indirect wholly-owned subsidiary of the Company (as purchaser), and Loyal Fame (as seller), a company indirectly wholly-owned by Mr. Tang (a Director), entered into an agreement for acquisition of 2,007,700,062 shares of CAP (being the then approximately 20.17% issued share capital of CAP) at the consideration of HK\$200 million.

On 30 April 2024, Loyal Fame disposed 1 share (being one-third of the total issued share capital of Team Aid Limited, “**Team Aid**”) of Team Aid at the consideration of HK\$340,000 to a wholly-owned subsidiary of the Company. Team Aid is the sole shareholder of Easy One Asset Management Services Limited (a corporation licensed by the Securities and Futures Commission to carry out type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management)).

As at the Latest Practicable Date, save as disclosed above, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 March 2023 (being the date to which the latest published audited financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The Group

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group which are or may be material:

- (a) the Sale and Purchase Agreement;
- (b) a provisional agreement dated 3 May 2024 entered into by Info World Investment Limited, an indirect wholly-owned subsidiary of WYT as vendor, Sure Express Corporation Limited, as purchaser and Midland Realty (Shops II) Limited as property agent and the formal agreement dated 30 May 2024 entered into between the vendor and the purchaser (the “**Shui Wo Street Agreement**”) in relation to, among other things, the sale and purchase of a property situated at Shui Wo Street, Kowloon, Hong Kong at the consideration of HK\$33 million, the details of which are set out in the joint announcement of the Company and WYT dated 3 May 2024;
- (c) a sale and purchase agreement dated 28 March 2024 entered into among Top List Holdings Limited (as seller), Divine Glory International Limited (as purchaser) and WOP (the “**March 2024 Sale and Purchase Agreement**”) in relation to the disposal of the entire issued share capital of Beam Up Holdings Limited and the assignment of the loan owing by New Grand Limited at the aggregate consideration of approximately HK\$797,080,516 (subject to adjustment), the details of which are set out in the joint announcement of the Company and WOP dated 28 March 2024;
- (d) a shareholders’ agreement dated 28 March 2024 among New Honour Enterprises Limited (an indirect wholly-owned subsidiary of WOP), WOP, Lofty Ideal Limited (an indirect wholly-owned subsidiary of Chevalier International Holdings Limited), Chevalier International Holdings Limited and Wang On Asset Management Limited (as project manager) (the “**March 2024 Shareholder’s Agreement**”), the details of which are set out in the joint announcement of the Company and WOP dated 28 March 2024;
- (e) a transfer agreement dated 18 March 2024 (the “**Transfer Agreement**”) entered into between Twist Pioneer Limited (“**Twist Pioneer**”) (as seller), an indirect wholly-owned subsidiary of WOP, and Walter Asset Management Limited (“**Walter Asset**”) (as buyer) in relation to, among other things, the assignment and transfer by way of novation of all of the Twist Pioneer’s rights and obligations under the participation agreement dated 28

May 2021 between Lexus Sharp International Limited and Twist Pioneer to Walter Asset at a total consideration of US\$6.25 million, the details of which are set out in the joint announcement of the Company and WOP dated 18 March 2024;

- (f) a provisional sale and purchase agreement dated 1 March 2024 entered into between Grand Quality Development Limited (as vendor), an indirect wholly-owned subsidiary of WYT, Lee Wai Shing (as purchaser) and K&W Property Agency Limited (as property agent) and the formal sale and purchase agreement dated 17 May 2024 (the “**Lee Wah Building Agreements**”) entered into between the vendor and the purchaser in relation to, among other things, the disposal of a property in Lee Wah Building, Nos.738-740A Nathan Road, Kowloon, Hong Kong at a total consideration of HK\$41.0 million, the details of which are set out in the joint announcement of the Company and WYT dated 1 March 2024;
- (g) during the period from 2 February 2024 to 8 February 2024, the Group conducted open market transactions to dispose of an aggregate of US\$8.4 million of (i) 11.50% senior notes due 12 April 2024 (“**China South 11.50% Senior Notes**”) issued by China South City Holdings Limited (“**China South City**”) and (ii) 11.95% senior notes due 9 October 2024 (“**China South 11.95% Senior Notes**”) issued by China South City, for a total consideration of approximately US\$3.8 million (excluding unpaid accrued interest), the details of which are set out in the announcement of the Company dated 8 February 2024;
- (h) on 1 February 2024 and 2 February 2024, Twist Pioneer, an indirect wholly-owned subsidiary of WOP, conducted open market transactions to dispose of an aggregate of US\$3.02 million of China South 11.50% Senior Notes and China South 11.95% Senior Notes for a total consideration of US\$1.3 million (excluding unpaid accrued interest) (the “**China South Notes Disposal I**”), respectively, the details of which are set out in the joint announcement of the Company and WOP dated 2 February 2024;
- (i) a provisional sale and purchase agreement dated 22 January 2024 entered into between Sunbo Investment Limited (as vendor), an indirect wholly-owned subsidiary of WYT, Crown Mega Limited (as purchaser) and Centaline Property Agency Limited (as property agent) and the formal sale and purchase agreement dated 2 May 2024 (the “**Yan Oi House Agreements**”) entered into between the vendor and the purchaser in relation to, among other things, the disposal of a property in Yan Oi House, No. 237 Sha Tsui Road and Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories, Hong Kong, for a total consideration of HK\$38 million, the details of which are set out in the joint announcement of the Company and WYT dated 22 January 2024;

- (j) a provisional agreement for sale and purchase dated 21 November 2023 entered into between Ascend Progress Limited (as purchaser), Guidepost Investments Limited (“**Guidepost Investments**”) (as vendor), an indirect wholly-owned subsidiary of WYT, WYT (as seller’s guarantor) and Centaline Property Agency Limited (as property agent) and the formal agreement for sale and purchase dated 14 March 2024 (the “**Percival Street Agreements**”) entered into between the vendor and the purchaser in relation to, among other things, the disposal of 2 shares of Oriental Sino Investments Limited (“**Oriental Sino**”), holding a property situated at Po Wing Building, Lee Garden Road and Percival Street, Hong Kong, and assignment of the loan owing by Oriental Sino to Guidepost Investments for a total consideration of HK\$100 million, the details of which are set out in the joint announcement of the Company and WYT dated 21 November 2023;
- (k) a sale and purchase agreement dated 8 September 2023 (the “**2023 September Sale and Purchase Agreement I**”) entered into between Viva Action Limited (“**Viva Action**”) (as vendor), an indirect wholly-owned subsidiary of WOP and Guidepost Investments (as purchaser), an indirect wholly-owned subsidiary of WYT in relation to, among other things, the disposal and acquisition of the entire issued share capital of Success Vision Limited (“**Success Vision**”, holding a property in Mei Foo Sun Chuen, Lai Chi Kok, Kowloon, Hong Kong) and the assignment of loan owing by Success Vision to Viva Action for a total consideration of HK\$43.8 million (subject to adjustment), the details of which are set out in the joint announcement of the Company, WYT and WOP dated 8 September 2023 and the circulars of the Company, WYT and WOP dated 29 September 2023;
- (l) a sale and purchase agreement dated 8 September 2023 (the “**2023 Sale and Purchase Agreement II**”) entered into between Shining Sun Developments Limited (“**Shining Sun**”) (as vendor) and Guidepost Investments (as purchaser) in relation to, among other things, the disposal and acquisition of the entire issued share capital of Nice Treasure Limited (“**Nice Treasure**”, holding a property in Kam Po Building, No. 2 Tung Lok Street, Yuen Long, New Territories, Hong Kong) and the assignment of the loan owing by Nice Treasure to Shining Sun for a total consideration of HK\$35.0 million (subject to adjustment), the details of which are set out in the joint announcement of the Company, WYT and WOP dated 8 September 2023 and the circulars of the Company, WYT and WOP dated 29 September 2023;
- (m) an agreement dated 6 September 2023 entered into among WOE (as purchaser), a direct wholly-owned subsidiary of the Company, Loyal Fame (as seller), which is indirectly wholly-owned by Mr. Tang, and Mr. Tang (as seller’s guarantor) in relation to, among other things, sale and purchase of the entire issued share capital of Onger Investments

(holding the then approximately 20.17% of the issued share capital of CAP) and all such sum of money due and owing by Onger Investments to Loyal Fame for a total consideration of HK\$200 million, the details of which are set out in the announcement of the Company dated 6 September 2023 and the circular of the Company dated 27 September 2023;

- (n) a formal agreement dated 19 June 2023 (the “**Formal Agreement**”) entered into between Wai Yuen Tong Medicine Company Limited (“**WYT Medicine**”) (as vendor), an indirect approximately 99.8%-owned subsidiary of WYT, Wang On (Nominees) Limited (“**Wang On (Nominees)**”) (as vendor), an indirect wholly-owned subsidiary of the Company, and Lo Yan Tik (as substitute purchaser) and Chen Ling (as substitute purchaser) (together, the “**Substitute Purchasers**”) (both as substitute purchasers) pursuant to the Formal Agreement in relation to the disposal and acquisition of one sale share of Billion Good Investment Limited (“**Billion Good**”) (representing 50% of the entire issued share capital of Billion Good) by each of the Substitute Purchasers and the assignment of the WYT Medicine’s benefits of the amounts representing 55% and 45% of the loan owing by Billion Good to WYT Medicine for a total consideration of HK\$71 million, the details of which are set out in the joint announcement of the Company and WYT dated 19 June 2023; and a provisional agreement for sale and purchase dated 6 February 2023 (together with the Formal Agreement, the “**2023 February Agreements**”) entered into between Lei Wa (as purchaser), WYT Medicine (as vendor) and Wang On (Nominees) (as vendor) and Kin Fu Realty (ICS) Limited (as property agent) in relation to, among other things, the disposal of the entire issued share capital of Billion Good (holding a property in Well Town Industrial Building, No. 13 Ko Fai Road, Kowloon, Hong Kong) and assignment of the loan owing by Billion Good to each of WYT Medicine and Wang On (Nominees) for a total consideration of HK\$71 million, the details of which are set out in the joint announcement of the Company and WYT dated 6 February 2023;
- (o) a provisional sale and purchase agreement dated 21 March 2023 entered into between Full Gainer Investment Limited (“**Full Gainer**”) (as vendor), an indirect wholly-owned subsidiary of WYT, Leader Wealth Properties Limited (as purchaser) and Timberland Strategy Property Consultants Limited (as property agent) and the formal sale and purchase agreement dated 31 March 2023 (the “**Tai Wai Agreements**”) entered into between the vendor and the purchaser in relation to the sale and purchase of a property situated at Nos. 66, 68, 70 & 72 Tai Wai Road, Shatin, New Territories, Hong Kong for a total consideration of HK\$66.8 million, the details of which are set out in the joint announcement of the Company and WYT dated 21 March 2023;

- (p) a conditional provisional agreement dated 6 January 2023 entered into between Guideposts Investments (as vendor), an indirect wholly-owned subsidiary of WYT, and Cosmic Charm International Limited (as purchaser) and the formal sale and purchase agreement dated 22 March 2023 (the “**Bowring Building Agreements**”) entered into between the vendor and the purchaser in relation to the disposal of the entire issued share capital of Sino Fame Investments Limited (“**Sino Fame**”, holding a property situated at ground floor of Bowring Building, No. 14 Bowring Street, Kowloon, Hong Kong) and assignment of the loan owing by Sino Fame to Guideposts Investments for a total consideration of HK\$48.8 million (subject to adjustments), the details of which are set out in the joint announcement of the Company and WYT dated 6 January 2023;
- (q) a shareholders’ agreement dated 28 December 2022 (the “**December 2022 Agreement**”) entered into among Wickert Investments Limited and Ever Sonic Enterprises Limited, both being indirect wholly-owned subsidiaries of WOP (together, the “**WOP JV Partners**”), Penta Holding (BVI) L.P., Penta Investment (BVI) L.P., and Fortune Harbour Investments Limited and Mega Hope Global Limited in relation to, among other things, formation of a joint venture for engaging in the acquisition and operation of a property situated at No.19 Luk Hop Street, Kowloon, Hong Kong with a total commitment of HK\$504.0 million to be borne by the WOP JV Partners, the details of which are set out in the joint announcement of the Company and WOP dated 28 December 2022 and the circulars of the Company and WOP dated 17 February 2023;
- (r) a master licensing agreement dated 1 October 2022 (the “**Master Licensing Agreement**”) entered into between CAP and the Company for a term of three years from 1 October 2022 to 30 September 2025, pursuant to which the Group may grant license of certain wet market properties (or any part thereof) in Hong Kong under the management of the Group, or of which the Group has the right to grant the license to use, to the CAP Group subject to the highest annual cap (in relation to the license fee between the CAP Group and the Group) (in relation to the amount of right-of-use assets to be recognised under relevant definitive licensing agreements to be entered into between the CAP Group and the Group), the details of which are set out in the joint announcement of the Company, CAP and WYT dated 1 October 2022;
- (s) a sale and purchase agreement dated 1 September 2022 (the “**1 September 2022 Agreement**”) entered into between Sky Admiral Limited (“**Sky Admiral**”) (as seller), an indirect wholly-owned subsidiary of WOP, and Sky Plaza Limited (as buyer), an indirect 50%-owned joint venture of WOP, in relation to, among other things, the disposal of the entire issued share capital of Star Moral Limited (“**Star Moral**”) relating to a property development project in Ap Lei Chau and the assignment of the shareholder’s loan owing by Star Moral to Sky Admiral for a total consideration of HK\$554,817,000 (subject to

adjustment), the details of which are set out in the joint announcement of the Company and WOP dated 1 September 2022 and the circulars of the Company and WOP dated 23 September 2022;

- (t) Mailful Investments Limited (“**Mailful Investments**”) and Suntech Investments Limited (“**Suntech Investments**”), which are respectively indirect wholly-owned subsidiaries of the Company and WYT, received confirmation from the fund managers on 19 September 2022 of acceptance of the requests by Mailful Investments and Suntech Investments for repurchase of their respective interests in the Access Funds at the aggregate repurchase price of approximately US\$18.05 million submitted by them on 17 August 2022 (the “**August 2022 Agreement**”). The details of the transactions are set out in the joint announcement of the Company and WYT dated 19 September 2022;
- (u) on 12 July 2022, Mailful Investments, an indirect wholly-owned subsidiary of the Company, has acquired (a) the 6.50% or 7.50% (PIK) senior notes due on 11 July 2027 (the “**2027 Notes**”) issued by Easy Tactic Limited (“**Easy Tactic**”) and (b) 6.50% or 7.50% (PIK) senior notes due on 11 July 2028 (the “**2028 Notes**”) issued by Easy Tactic, in the aggregate notional amounts of about US\$5.2 million at par value in respect of the 2027 Notes and about US\$2.1 million at par value in respect of the 2028 Notes pursuant to the exchange of the existing notes held by into the 2027 Notes and the 2028 Notes at nil consideration, the details of which are set out in the announcement of the Company dated 13 July 2022; and
- (v) a guarantee agreement dated 4 July 2022 entered into between WYT and Ping An Bank Co., Ltd., pursuant to which WYT agreed to guarantee all liabilities of CAP to be owed to Ping An Bank Co., Ltd. under the Loan Facility Agreement (the “**WYT Guarantee Agreement**”), details of which are set out in the joint announcement of the Company and WYT dated 3 May 2022 and the circulars of the Company and WYT dated 7 June 2022.

The WOP Group

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the WOP Group which are or may be material:

- (a) the March 2024 Sale and Purchase Agreement;
- (b) the March 2024 Shareholders’ Agreement;

- (c) the Transfer Agreement;
- (d) the China South Notes Disposal I;
- (e) the 2023 September Sale and Purchase Agreement I;
- (f) the 2023 Sale and Purchase Agreement II;
- (g) the December 2022 Agreement; and
- (h) the 1 September 2022 Agreement.

The WYT Group

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the WYT Group which are or may be material:

- (a) the Shui Wo Street Agreement;
- (b) the Lee Wah Building Agreements;
- (c) the Yan Oi House Agreements;
- (d) the revolving loan facility agreement dated 18 December 2023 entered into between the Company (as borrower) and Wai Yuen Tong Medicine (as lender), and indirect 99.8% owned subsidiary of WTY pursuant to which WYT Medicine agreed to provide an unsecured revolving loan facility not exceeding HK\$100 million to the Company at a rate of 10% per annum, the details of which are set out in the announcement of WYT dated 18 December 2023 and the circular of WYT dated 11 January 2024;
- (e) the Percival Street Agreements;
- (f) the 2023 September Sale and Purchase Agreement I;
- (g) the 2023 Sale and Purchase Agreement II;
- (h) the 2023 February Agreements;
- (i) the Tai Wai Agreements;

- (j) the Bowring Building Agreements;
- (k) the August 2022 Agreement; and
- (l) the WYT Guarantee Agreement.

The CAP Group

Within the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the CAP Group which are or may be material:

- (a) the Sale and Purchase Agreement; and
- (b) the Master Licensing Agreement.

8. EXPERT AND CONSENT

The following are the qualification of the expert who has given opinion and advice, which is contained in this circular:

Name	Qualification
RHL Appraisal Limited	Independent professional valuer

As at the Latest Practicable Date, the expert referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2023 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

9. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Mr. Cheung Chin Wa Angus. He is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.wangon.com for a period of 14 days from the date of this circular:

- (a) the Sale and Purchase Agreement;
- (b) the valuation report on the Property prepared by RHL Appraisal Limited as set out in Appendix II to this circular; and
- (c) the letter of consent from the expert as referred to in the paragraph headed "8. Expert and Consent" in this appendix.

NOTICE OF THE SGM



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of Wang On Group Limited (the “**Company**”) will be held at 17th Floor, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong on Monday, 8 July 2024 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (i) the Sale and Purchase Agreement (as defined in the circular of the Company dated 17 June 2024 of which this notice forms part (the “**Circular**”)) (a copy of which has been produced in this meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (ii) any one director of the Company (the “**Director**”) be and is hereby authorised to do all such acts and things as the Director in his/her sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Sale and Purchase Agreement (as defined in the Circular) and the transactions contemplated thereunder.”

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Cheung Chin Wa Angus
Company Secretary

Hong Kong, 17 June 2024

NOTICE OF THE SGM

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal

place of business in Hong Kong:
Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

1. A form of proxy for use at the SGM is enclosed.
2. The register of members of the Company will be closed from Wednesday, 3 July 2024 to Monday, 8 July 2024 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the SGM or any adjourned meeting thereof (as the case may be), 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 Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m., on Tuesday, 2 July 2024.
3. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
4. In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as practicable and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be).
5. Completion and delivery of the form of proxy will not preclude members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any shares of the Company, any one of such holders may vote at the SGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holder(s).
7. The above resolution(s) will be voted by way of a poll at the SGM.

* *For identification purpose only*