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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)

MAJOR TRANSACTIONS
IN RELATION TO
THE DISPOSAL OF 50% SHAREHOLDINGS
IN A SUBSIDIARY HOLDING THE PROJECT IN YAU TONG, KOWLOON
AND
POSSIBLE PROVISION OF FINANCIAL ASSISTANCE

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DEFINITIONS

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

“Agreement”	the sale and purchase agreement dated 7 June 2017 entered into between the Vendor, WOP, the Purchaser and CIFI Holdings in relation to the Disposal
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“Bye-laws”	the bye-laws of the Company
“CIFI Holdings”	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 884), being the Purchaser’s guarantor under the Agreement
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Completion”	completion of the Disposal under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Disposal, being HK\$664,485,000 (subject to adjustment)
“controlling shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share and the assignment of the Shareholder Loan by the Vendor to the Purchaser pursuant to the Agreement

* For identification purpose only

DEFINITIONS

“Easy One”	Easy One Financial Group Limited 易易壹金融集團有限公司, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 221)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Announcement”	the announcement dated 7 June 2017 jointly issued by the Company and WOP in relation to, <i>inter alia</i> , the Disposal
“Latest Practicable Date”	21 July 2017, 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
“Net Current Asset Value”	the total current assets (excluding, for the avoidance of doubt, the value of the Property) minus the total current liabilities of the Target Group, and which shall be determined with reference to the unaudited consolidated management account of the Target Group, comprising a statement of profit or loss and other comprehensive income for the period from 1 April 2016 to the close of business on the date of Completion and a statement of financial position as at the close of business on the date of Completion
“Option Agreement”	the option agreement in relation to the Put Option entered into between the Vendor and the Purchaser on 13 April 2017
“Possible Financial Assistance”	any financial assistance, up to a total amount of not more than HK\$1,182.0 million, that might be provided by the WOP Group to the Target Group for the purpose of the Project, on terms described in this Circular

DEFINITIONS

“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project”	the residential and/or commercial redevelopment project situated on the Property
“Project Company”	Double Bright Limited (同明有限公司), a company incorporated in Hong Kong with limited liability, which directly holds the Property and the rights to carry out the Project and a directly wholly-owned subsidiary of the Target
“Property”	being (a) ALL THAT piece or parcel of ground registered at the Land Registry as YAU TONG INLAND LOT NO. 23 TOGETHER with the messuages erections and buildings (if any) erected or to be erected thereon, No. 13 Sze Shan Street, Kowloon, Hong Kong; and (b) ALL THAT piece or parcel of ground registered at the Land Registry as YAU TONG INLAND LOT NO. 24 TOGETHER with the messuages erections and buildings (if any) erected or to be erected thereon, No. 15 Sze Shan Street, Kowloon, Hong Kong with site area of about 3,816.4 square metres and estimated gross floor area of about 25,264 square metres (new lot to be known as YAU TONG INLAND LOT NO. 41)
“Purchaser” or “Xu Qi”	Xu Qi Co. Limited (旭祺有限公司), an investment holding company incorporated in the British Virgin Islands with limited liability, being the purchaser under the Agreement
“Put Option”	the option granted by the Purchaser to the Vendor pursuant to which the Vendor has the right, but not the obligation, to require the Purchaser to acquire the Sale Share and the Shareholder Loan
“Sale Share”	one issued ordinary share of the Target, representing 50% of the entire issued share capital of the Target legally and beneficially held by the Vendor prior to Completion
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Shareholder Agreement”	the shareholders’ agreement relating to the Target entered into between the Vendor, WOP, the Purchaser and CIFI Holdings on 7 June 2017
“Shareholder Loan”	50% of the loan owing by the Target to the Vendor at the date of Completion (the principal amount of such loan being HK\$255,578,535 at the date of the Agreement and on Completion), being an interest free shareholder loan and repayable on demand and which, subject to and on the terms and conditions of the Agreement, and has been assigned by the Vendor to the Purchaser on Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target”	Wonder Sign Limited, a company incorporated in the British Virgin Islands with limited liability and is directly wholly owned by the Vendor prior to Completion
“Target Group”	the Target and the Project Company
“Vendor” or “Swift Prosper”	Swift Prosper Limited (迅盛有限公司), an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP, being the vendor under the Agreement
“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 and 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

* For identification purpose only

DEFINITIONS

“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), a listed 75%-owned subsidiary of the Company
“WOP Group”	WOP and its subsidiaries
“%”	per cent.



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, SBS, JP (Chairman)

Ms. Yau Yuk Yin (Deputy Chairman)

Mr. Chan Chun Hong, Thomas
(Managing Director)

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent non-executive Directors:

Dr. Lee Peng Fei, Allen, CBE, BS, FHKIE, JP

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

Mr. Siu Yim Kwan, Sidney, S.B.St.J

Mr. Siu Kam Chau

*Head office and principal place
of business:*

Suite 3202, 32/F.,
Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

26 July 2017

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTIONS
IN RELATION TO
THE DISPOSAL OF 50% SHAREHOLDINGS
IN A SUBSIDIARY HOLDING THE PROJECT IN YAU TONG, KOWLOON
AND
POSSIBLE PROVISION OF FINANCIAL ASSISTANCE**

INTRODUCTION

Reference is made to the Joint Announcement in relation to the Disposal.

The purpose of this circular is to provide you with, among others, the details of the Disposal as required under the Listing Rules.

* For identification purpose only

LETTER FROM THE BOARD

AGREEMENT

Date

7 June 2017

Parties

- (i) Swift Prosper, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of WOP (a listed 75%-subsidiary of the Company) and is principally engaged in investment holding, as the Vendor;
- (ii) WOP, a listed 75%-owned subsidiary of the Company, as the Vendor's guarantor;
- (iii) Xu Qi, a company incorporated in the British Virgin Islands and an indirectly wholly-owned subsidiary of CIFI Holdings and is principally engaged in investment holding, as the Purchaser; and
- (iv) CIFI Holdings, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 884), the indirect parent company of Xu Qi, as the Purchaser's guarantor.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, (i) each of the Purchaser, CIFI Holdings and their respective ultimate beneficial owner(s) is a third party independent of and not connected with the Company and its respective connected persons; and (ii) CIFI Holdings and its subsidiaries are principally engaged in property development and property investment business in the PRC. There was no previous transaction entered into between each of the Company and WOP, the Purchaser and CIFI Holdings which shall be aggregated with the Disposal or the Possible Financial Assistance.

Disposed assets

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Share (representing 50% of the entire issued share capital of the Target as at the Latest Practicable Date) and assign the benefit of the Shareholder Loan, which amounted to HK\$255,578,535 as at the date of the Agreement.

LETTER FROM THE BOARD

Consideration and payment

The Consideration for the purchase of the Sale Share and the Shareholder Loan shall be HK\$664,485,000 (subject to adjustment below), which had been paid by the Purchaser to the Vendor in the following manner:

- (a) the deposit in the amount of HK\$40.0 million had been paid under the Option Agreement and applied towards part-payment of the Consideration; and
- (b) a sum of HK\$624,485,000 (being the balance of the Consideration) had been paid on Completion.

The Consideration shall be adjusted by adding thereto the amount equivalent to half of the Net Current Asset Value (if it is a positive amount) or subtracting therefrom the absolute value of the amount of equivalent to half of such Net Current Asset Value (if it is a negative amount). As the only non current asset of the Target Group is the Property which is not required to be adjusted, the parties agreed to adjust the Consideration only according to the Net Current Asset Value. According to the previous experience of the Group (including the WOP Group) for entering into similar transactions, such kind of adjustment will not be substantial and usually within a range of 5% to 10%. As at the Latest Practicable Date, the Consideration was adjusted upward by HK\$49.2 million, which was within the expected 10% adjustment range.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, *inter alia*, the market value of the Property and the amount of land premium required to be paid by the Project Company for redevelopment of the Project – residential and commercial development at the Property, the development potential of the Project, the existing status of the Property and unpaid commitments of the Project. The net balance of the Consideration (being the Consideration after deducting the Shareholder Loan and adding the adjusted amount of HK\$49.2 million) was priced at a discount of approximately 8.8%, of which such discount is justified by reference to the sharing of risk and financing of the unpaid commitment of the Project and the immediate receipt of the net proceeds from the Disposal for investing in other potential property development projects of the WOP Group.

Completion

The approval from the Shareholders in respect of the Disposal and the Possible Financial Assistance as required under the Listing Rules had been obtained on 7 June 2017, and thus Completion took place immediately upon signing of the Agreement on 7 June 2017. The Target is owned as to 50% by the Vendor and 50% by the Purchaser after Completion. As at the Latest Practicable Date, the Vendor intended to retain the remaining shares in the Target.

LETTER FROM THE BOARD

INFORMATION OF THE TARGET GROUP

The Target is an investment holding company incorporated in the British Virgin Islands and its sole business is the holding of the entire issued share capital of the Project Company, which is the registered owner of the Property – being the lands located at Nos. 13 and 15, Sze Shan Street, Kowloon, Hong Kong. The Property was acquired by the Project Company in September 2010. Subject to, *inter alia*, the payment of the land premium, the Property can be developed as a residential and commercial development by the Project Company with site area of about 3,816.4 square metres and estimated gross floor area of about 25,264 square metres. As at the Latest Practicable Date, the land premium had yet to be fully settled and the Property was still pending for construction.

Set out below is the unaudited financial information of the Target Group for the two financial years ended 31 March 2017 extracted from the unaudited management accounts of the Target Group which are prepared under the generally accepted accounting principles in Hong Kong:

	For the year ended 31 March	
	2017	2016
	HK\$ million (unaudited)	HK\$ million (unaudited)
Revenue	–	–
Net profit before taxation	42.1	47.2
Net profit after taxation	42.1	47.2

The unaudited net liability value of the Target as at 31 March 2017 was approximately HK\$17.6 million.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) management and sub-licensing of Chinese wet markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through WOP, a listed 75%-owned subsidiary of the Company; and (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, a listed 51.32%-owned subsidiary of the Company. The WOP Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation.

The Disposal will result in the Vendor and the Purchaser sharing the development cost of the Project, thereby sharing both the risks and financing of the Project. The WOP Group's cash flow position will benefit from a lower capital requirement to develop the Project. Furthermore, the WOP Group will also benefit from the Consideration received from the Purchaser, allowing the WOP Group to recover startup expenses and obtain an one-off financial reward in relation to the establishment of such joint venture arrangement for the Project.

LETTER FROM THE BOARD

Given that the Possible Financial Assistance would also be provided pro-rata to the WOP Group's shareholding in the Target and only on normal commercial terms, the directors of both the Company and WOP, including their respective independent non-executive directors, consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and each of the Disposal and the provision of the Possible Financial Assistance is in the interests of each of the Company and the Shareholders and WOP and its shareholders.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

Based on, *inter alia*, the Consideration, the Shareholder Loan, the bank loan, the unaudited net liabilities as at the date of Completion and the related expenses for the Disposal, each of the Group and the WOP Group currently expects to record a gain arising from the Disposal of approximately HK\$465.0 million upon Completion subject to review by the auditors of each of the Company and WOP. **Shareholders of the Company and WOP should note that the above figures are for illustrative purpose only. The actual gain on the Disposal may be different from the above and will be determined based on the financial position of the Target Group on the date of Completion and the review by the auditors of the Company and WOP.**

Upon Completion, the Target Group ceased to be subsidiaries of each of the Group and the WOP Group. The Disposal upon Completion therefore resulted in the deconsolidation of the assets and liabilities of the Target Group from each of the Group and the WOP Group's consolidated accounts. The Target was accounted for as "joint venture" of the Group and the WOP Group.

USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds (after repayment of the principal of the bank loan together with its interest incurred, of approximately HK\$52.9 million and deducting other expenses in relation thereto) arising from the Disposal of approximately HK\$609.6 million, will be used as to approximately HK\$543.6 million for property development (i.e. land acquisition and/or development and construction) and as to approximately HK\$66 million for general working capital of the WOP Group.

LETTER FROM THE BOARD

SHAREHOLDER AGREEMENT

The parties further entered into the Shareholder Agreement upon Completion to govern their relationship as shareholders of the Target and the management and operation of the Target Group with details as follows:

Date

7 June 2017

Parties

- (i) Swift Prosper;
- (ii) WOP, as Swift Prosper's guarantor;
- (iii) Xu Qi; and
- (iv) CIFI Holdings, as Xu Qi's guarantor.

Board and Management

The board of directors of Target shall consist of four directors, two of which shall be appointed by the Purchaser and two of which shall be appointed by the Vendor. The chairman of the board of directors of the Target shall be nominated by the Vendor.

In addition, a four-member project management committee shall be set up to deliberate on certain matters relating to works and operational matters of the Project, of which two members shall be nominated by the Purchaser and two members shall be nominated by the Vendor.

Capital Commitment

All funding requirements of the Target Group shall be (i) first met by raising funds by way of external bank borrowings; and (ii) if the external bank borrowings are not able to cover all funding requirements, such funding requirements shall be met by interest-bearing shareholder's loans at 6% per annum advanced by the shareholders of the Target in proportion to their respective shareholdings in the Target.

Voting

Except for certain matters of the Target Group which are subject to the unanimous approval of all the shareholders or members of the project management committee (as the case may be), all resolutions of the directors, shareholders and/or the project management committee (as the case may be) of the Target shall be passed by a simple majority vote.

LETTER FROM THE BOARD

Restriction on transfer and pre-emption rights

None of the shareholder of the Target shall sell or transfer or dispose of their direct or indirect interests in the shares and the shareholder loan in the Target, other than to their respective affiliates.

In the event that any of the shareholders of the Target wishes to transfer all (but not some only) of the shares and the shareholder loan in the Target (the "**Sale Interest**") owned by it, it shall first offer the Sale Interest to the other shareholders at the same price as that offered to the third party purchaser and the other shareholders may elect to purchase all (but not some only) of the Sale Interest.

Dividend policy

Subject to the consent of lender(s) of any external borrowing(s) to the Target Group (if applicable), the dividend policy of the Target Group shall be to distribute a cash dividend equivalent to the remainder of the cash of the Project Company after reserving 120% of the budgeted expense in the future six months which the board of directors of the Target considers as being consistent with prudent commercial principles, having regard to its profitability and the need to maintain and build up the reserves to an appropriate level in a prudent manner in accordance with normal management practices.

Deadlock

A deadlock shall occur where in two consecutive shareholders' meetings for a matter requiring unanimous approval, no unanimous decision can be achieved. Such deadlock shall be referred to the chairman, chief executive officer or such personnel of equivalent status of each shareholder to negotiate in good faith to resolving the issue.

In the event that any deadlock occurs in relation to any matters requiring unanimous approval relating to works and operational matters of the Project ("**Deadlock Matter(s)**") and the shareholders of the Target shall fail to resolve the Deadlock Matter(s) within 30 days after referring the Deadlock Matter(s) to the senior management of the shareholders, either shareholder of the Target shall have the option to purchase the shares and shareholder's loans of the other shareholder by serving a written notice on the other shareholder which purchase price shall be based on the fair value of the Target Group as agreed by the parties or as certified by an independent valuation surveyor mutually appointed by the shareholders.

Event of default

A party (the "**Non-defaulting Party**") may give notice to the other party upon the occurrence of certain events as set out in the Shareholder Agreement (including, without limitation, a material breach of any of its obligations under the Shareholder Agreement by the other party or the entering into liquidation by the other party (in each case, the "**Defaulting Party**"). After giving such notice, the Defaulting Party shall remedy such breach or default as soon as possible within 21 days after the service of such default notice, failing which the Non-defaulting Party is entitled to require the Defaulting Party

LETTER FROM THE BOARD

to sell to the Non-defaulting Party all of the shares and shareholder loan owned by the Defaulting Party at a discounted value of 30% of the value of the Target as agreed by the parties or determined by auditors based on the certificate of an independent valuation surveyor mutually appointed by the shareholders in accordance with the Shareholder Agreement.

PROJECT MANAGEMENT AGREEMENT

On 7 June 2017, the Project Company and Wang On Asset Management Limited (an indirectly wholly-owned subsidiary of WOP and a company principally engaged in property project management) entered into a project management agreement, pursuant to which the Project Company appointed Wang On Asset Management Limited as the project manager to provide the property project management services and marketing services for the Project in consideration for a project management fee of HK\$1.0 million per month until completion of the Project, or as otherwise determined.

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO TARGET GROUP

As mentioned above, pursuant to the Shareholder Agreement, the funding requirements of the Target Group shall be (i) first met by raising funds by way of external bank borrowings; and (ii) if the external bank borrowings are not able to cover all funding requirements, such funding requirements shall be met by shareholder's loans advanced by the shareholders of the Target in proportion to their respective shareholdings in the Target. To cater for any funding requirements of the Target Group for the development of the Project in the future (including the payment of land premium and the expected commitments of the development, *inter alia*, construction and other project development costs, interest and selling expenses), it is expected that financial assistance of not more than HK\$1,182 million will be required to be provided by the WOP Group to the Target Group (mainly in the form of provision of corporate guarantee for external bank borrowings and/or shareholder loan (not more than HK\$200 million)), but on the basis that it can only be given by the WOP Group severally, in proportion to the Purchaser's shareholding interests in the Target and on normal commercial term.

The shareholder loan (if any) to be provided will be settled by the internal resources of the WOP Group.

GENERAL

Each of the Disposal and the Possible Financial Assistance constitutes (i) a discloseable transaction for WOP and is therefore subject to the reporting and announcement requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of each of the Disposal and the Possible Financial Assistance exceed 5% but are less than 25%); and (ii) a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules (as some of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of (a) the Disposal exceed 25% but are less than 100%; and (b) the Possible Financial Assistance exceed 25%).

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, no shareholders of the Company or any of their respective associates have any material interest in the Agreement, the Disposal and the Possible Financial Assistance, thus no shareholder of the Company is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Agreement, the Disposal and the Possible Financial Assistance. The Company has obtained a written shareholders' approval from Mr. Tang Ching Ho and his associates, the controlling shareholder group holding approximately 51.76% of the total issued shares of the Company as at the Latest Practicable Date, in lieu of holding a special general meeting to approve the Agreement, the Disposal and the Possible Financial Assistance in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, if the Agreement, the Disposal and the Possible Financial Assistance are to be approved by way of a written Shareholder's approval obtained from a Shareholder or a closely allied group of Shareholders under Rule 14.44 of the Listing Rules, the Company is required to despatch this circular to the Shareholders within 15 business days after publication of the Joint Announcement, which is on or before 28 June 2017. As additional time is required to prepare and finalise the financial information including but not limited to, the indebtedness statement of the Group to be included in this circular, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules, and the Stock Exchange has granted the aforementioned waiver to the Company on 12 June 2017, on the basis that this circular will be despatched on or before 26 July 2017.

RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Agreement and the Disposal 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 resolutions if the Company were to convene a special general meeting for the approval of the Agreement, the Disposal and the Possible Financial Assistance.

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)*
Chan Chun Hong, Thomas
Managing Director

* For identification purpose only

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2015, 2016 and 2017 are disclosed in the annual reports of the Company for the years ended 31 March 2015 (pages 50 to 150), 2016 (pages 49 to 153) and the 2017 results announcement of the Company dated 21 June 2017, respectively, which are published on both the websites of HKExnews (www.hkexnews.hk) and the Company (www.wangon.com). The auditor of the Company has not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2015, 2016 and 2017.

Quick links

Annual reports or results of the Company for the financial years ended 31 March 2015, 2016 and 2017 are available at the following internet links:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0721/LTN20150721674.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0706/LTN20160706937.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0621/LTN20170621625.pdf>

Save as disclosed above, the Board is not aware of any material change in the Company's operation and financial position since 31 March 2017 (being the date on which the latest published audited consolidated financial statements of the Group were made up).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 May 2017, 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\$5,624.4 million, of which bank loans with an aggregate amount of approximately HK\$3,953.3 million were secured by the Group's land and buildings, investment properties and certain rental income generated therefrom, properties under development, share charges in respect of the entire interests of three subsidiaries of the Group, which are engaged in property development, as well as a cash deposit. The carrying values of the Group's land and buildings, investment properties and properties under development as at 31 May 2017, which were pledged to secure the Group's bank loans, amounted to approximately HK\$525.7 million, HK\$1,811.5 million and HK\$4,407.3 million, respectively. In addition, the Group's unsecured bank loans with an aggregate amount of approximately HK\$1,671.1 million were guaranteed by corporate guarantees provided by group companies as at 31 May 2017. The Group's secured bank loans bear contractual interest rate ranging from Prime Rate minus 2.50% to 2.75% or HIBOR plus 1.10% to 2.35%, whilst the Group's unsecured bank loans bear contractual interest rate ranging from HIBOR plus 1.50% to 2.05%.

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 31 May 2017, 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.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Group, including internally generated funds and available banking facilities of the Group, the Directors, after due and careful enquiry, are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2017, being the date on which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Economic and market conditions remain volatile in 2017 which have certain impact on the Group's businesses in mainland China and Hong Kong, however, the Group will continue to demonstrate its resilience and maintain a sustainable growth in term of earnings as well as liquidity. The Government of Hong Kong has committed to increase supply of land in a sustainable manner which will generate a stabilising effect in the property market and moderate the impact of further price hikes. On the other hand, coupled with the Government's longterm strategic plan to develop new living and business districts in Hong Kong in an attempt to build up a greater metropolitan area, the Group expects population of Hong Kong will increase further and this should generate further inelastic demand for residential properties. The Group therefore keeps an optimistic view about the property market. Given that in recent years, there has been more and more property developers joining the arena for tender of Government land, it has increased competition among developers to acquire development land reserve, the Group will devote further resources and efforts in the tender and search of land for development, and will also look for collaboration opportunities. Furthermore, the Group will continue to look for potential investment properties for recurring income and capital appreciation. The Group is confident about WOP's prospects in the foreseeable future.

As mentioned, WYT became a subsidiary of the Group during the year ended 31 March 2017. This marks another milestone of the Group. Taking into account WYT Group's business track record and financial position, as well as the continued trend of awareness and concern about personal health, the Group is optimistic about the future growth and development of WYT Group. The solid foundations, recognised brand value of WYT Group as well as the addition of new production facilities are undoubtedly the backbone to support the Group's future expansion plan. The Group believes taking up the controlling stake in WYT is a great opportunity to participate in additional future returns of WYT. WYT enters into a period of transition to the new manufacturing facilities in Yuen Long factory. We anticipate the transition is highly complex in both pricing, production and distribution strategy. The Group will however benefit in the mid-to-long term from addressing our core production bottleneck issues and enhancing cost efficiencies. This will materially improve WYT baseline gross margins in the long run. Together with strategies of strengthening WYT's pharmaceutical sales and marketing infrastructure, we believe the Group is on the right track turning WYT into a profitable business.

Apart from property-related and pharmaceutical and health care businesses, the operation of Chinese wet market will continue to serve as reliable recurring income sources of the Group. The Group will play an active role in seeking opportunities to expand our management portfolio which may in turn further improves our market leading position.

In order to sustain further growth, the Group is actively exploring various forms of strategic business opportunities, and will develop or invest in new businesses whenever it generates attractive return to the Group and its shareholders.

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 31 May 2017 of the property interests disposed by the Group.



Asset Appraisal Limited
中誠達資產評估顧問有限公司

Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號安康商業大廈9字樓901室
Tel: (852) 2529 9448 Fax: (852) 3544 5854

26 July 2017

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,

Re: Valuation of the Property on Nos. 13 and 15, Sze Shan Street, Yau Tong, Kowloon.

In accordance with the instructions from Wang On Group Limited (the “**Company**”) to value the property interests (the “**Property**”) disposed by the Company or its subsidiaries (altogether referred to as the “**Group**”) situated in Hong Kong, we confirm that we have carried out inspections of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Property as at 31 May 2017 (the “**date of valuation**”).

BASIS OF VALUATION

Our valuation of the Properties represents 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 and where the parties had each acted knowledgeably, prudently and without compulsion”.

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Property. However, we have not verified ownership of the Property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

In valuing the Property, which is held by the Group for future development, we have used the Direct Comparison Approach assuming sale of the Property in its existing state by making reference to comparable land sales transactions as available in the relevant market.

ASSUMPTIONS

Our valuation has been made on the assumption that the Group sell the Property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government Lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was inspected on 27 May 2017 by Tse Wai Leung, who is an employee of Asset Appraisal Limited. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have 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.

In valuing the properties, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

We enclose herewith our valuation certificate.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited

Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property held by the Group for Future Development

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 May 2017 HK\$
Nos. 13 and 15 Sze Shan Street Yau Tong Kowloon	The Property comprises two contiguous parcels of land with a total site area of approximately 41,080 square feet (3,816.40 square metres) or thereabouts.	As at the valuation date, the Property was a bare site.	2,400,000,000 (refer to Note 5)
Yau Tong Inland Lot Nos. 23 and 24	Pursuant the development schedule provided by the Company, the Property is planned to be developed into a residential building with a total gross floor area of approximately 271,615.50 square feet. The Property is held under Conditions of Sales Nos. 10800 and 10806 for the term expiring on 30 June 1997. It was statutorily extended to 30 June 2047 with a condition of annual rent payment assessed by 3% of the rateable value.		

Notes:

1. The registered owner of the Property is Double Bright Limited, a wholly-owned subsidiary of the Company, via an assignment registered vide memorial no.10042101890076 dated 23 March 2010.
2. The following encumbrances are registered in the land registry against the Property:
 - a. Lot No.23 of the Property is subject to a mortgage and an assignment of rental in favour of the Hong Kong and Shanghai Banking Corporation Limited vide memorial nos.16051102060152 and 16051102060166 both dated 12 April 2016.
 - b. Lot No.24 of the Property is subject to a mortgage and an assignment of rental in favour of the Hong Kong and Shanghai Banking Corporation Limited vide memorial nos.16051102060196 and 16051102060200 both dated 12 April 2016.
3. The Property falls within an area zoned "Residential (Group E)" under Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/25 dated 28 April 2017.

4. The development condition is based on the latest approved scheme as follows:
- | | | |
|------|------------------------|--|
| i. | Total Gross Floor Area | 271,615.50 square feet or thereabouts |
| ii. | Plot Ratio | 6.61 |
| | Bonus Plot Ratio | 0.614 (By Road Widening) |
| | Domestic | 5.61 |
| | Non-Domestic | 1.0 |
| iii. | Maximum Height | Not exceeding a height of 140 metres above the Hong Kong Principal Datum as stipulated on the Cha Kwo Ling, Yau Tong, Lei Yue Mun Outline Zoning Plan No. S/K15/25 |
| iv. | Site Class | C |
5. The market value of the Property has been arrived on the basis that the lease modification process including payment of land premium has been completed.

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 10 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)	4,938,375,306 (Note b)	4,989,928,827 (Note c)	9,984,356,772	51.76
Ms. Yau Yuk Yin ("Ms. Yau")	28,026,300	4,966,401,645 (Note d)	-	4,989,928,827 (Note e)	9,984,356,772	51.76

Notes:

- (a) Mr. Tang was taken to be interested in those Shares in which his spouse, Ms. Yau, was interested.
- (b) Mr. Tang was taken to be interested in those Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested. Mr. Tang is also the sole director of Caister Limited.
- (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 percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 19,288,520,047 Shares.

(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, as at the Latest Practicable Date, no person 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:

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (Note 5)
Caister Limited (Note 1)	Beneficial owner	4,938,375,306	25.60
Accord Power Limited (Note 2)	Beneficial owner	4,989,928,827	25.87
Fiducia Suisse SA (Note 3)	Interest of controlled corporation	4,989,928,827	25.87
David Henry Christopher Hill (Note 3)	Interest of controlled corporation	4,989,928,827	25.87
Rebecca Ann Hill (Note 4)	Family interest	4,989,928,827	25.87

Notes:

- (1) Caister Limited is beneficially wholly owned by Mr. Tang, who is an executive Director and the sole director of Caister Limited.
- (2) Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those Shares held by Accord Power Limited.
- (3) Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those Shares in which Fiducia Suisse SA was interested.
- (4) Ms. Rebecca Ann Hill was taken to be interested in those Shares in which her spouse, Mr. David Henry Christopher Hill was interested.
- (5) The percentage represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 19,288,520,047 Shares.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

- (i) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.
- (ii) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2017 being 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.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Chan Chun Hong, the managing Director, is currently the Chairman and managing director of Easy One, which has been principally engaged in financing business since November 2015, which were overlapping with the financing business of the Group, and thus may compete, or is likely to compete, either directly or indirectly, with the financing business of the Group.

For safeguarding the interests of the Group, the independent non-executive Directors and the audit committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's financing business is and continues to be run on the basis that they are independent of, and at arm's length from, those operated by members of Easy One.

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.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any 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 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) a conditional agreement dated 4 July 2017 entered into between Double Leads Investments Limited ("**Double Leads**"), an indirectly wholly-owned subsidiary of the Company, as the lender and bondholder, and China Agri-Products Exchange Limited ("**CAP**"), as the borrower and bond issuer, in relation to the terms of the 5-year 10.0% coupon bonds due 2019 issued by CAP (the "**2019 CAP Bonds**");
- (b) an extension agreement dated 29 May 2017 entered into between Double Leads, as the lender, and CAP, as the borrower, pursuant to which Double Leads agreed to extend the payment date of the interest accrued on the 2019 CAP Bonds to be otherwise due and payable on 29 May 2017 to 31 August 2017 at an interest rate of 12% on the outstanding interest, the details of which were set out in the announcement jointly issued by the Company, WYT and CAP dated 29 May 2017;
- (c) a loan agreement dated 12 April 2017 entered into between Emperor Smart, an indirectly wholly-owned subsidiary of the Company, as the lender, and an independent third party customer, as the borrower, in relation to the grant of a secured loan of a principal amount of HK\$200.0 million for a term of 36 months with the interest rate of 6.5% per annum, the details of which were set out in the announcement of the Company dated 12 April 2017;

- (d) a loan agreement dated 26 January 2017 entered into between Fulling Limited (“**Fulling**”), an indirectly wholly-owned subsidiary of the Company, as the lender, and an independent third party customer, as the borrower, in relation to the grant of a secured loan of a principal amount of HK\$90.0 million for a term of three months (with an option to extend for further three months) at an interest rate of 20% per annum, the details of which were set out in the announcement of the Company dated 26 January 2017;
- (e) a loan agreement dated 13 September 2016 entered into between Fulling, as the lender, and an independent third party customer, as the borrower, in relation to the grant of a secured loan of a principal amount of HK\$150.0 million for a term of twelve months with the interest rate of 9.75% per annum, the details of which were set out in the joint announcement of the Company dated 13 September 2016;
- (f) an irrevocable undertaking dated 5 July 2016 given by Rich Time Strategy Limited (“**Rich Time**”) in favour of WYT to accept and subscribe for 209,492,205 rights shares of its provisional entitlements and apply, by way of excess application, for 370 million rights shares, under WYT’s rights issue at HK\$0.43 per right share of WYT, the details of which were set out in the joint announcement issued by the Company and WYT dated 8 July 2016;
- (g) a conditional sale and purchase agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between Double Leads,, the Company and Winning Rich Investments Limited (“**Winning Rich**”), an indirectly wholly-owned subsidiary of WYT, under which Winning Rich will acquire a bond from Double Leads and the Company will provide a guarantee in favour of Winning Rich for the due and punctual performance of CAP obligations under its 10.0% bond due on 28 November 2019 with an outstanding principal amount of HK\$200 million issued by CAP;
- (h) an underwriting agreement dated 6 April 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, Wang On Enterprises (BVI) Limited (“**WOE**”), CLC International Limited, Kingston Corporate Finance Limited (“**KCF**”), Kingston Securities Limited (“**KSL**”), VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the placing of 342 million shares in the issued share capital of WOP (the “**WOP Placing**”);

- (i) a stock borrowing agreement dated 6 April 2016 entered into between Earnest Spot Limited, as lender, and KSL, as borrower, pursuant to which Earnest Spot Limited agreed to lend to KSL up to 57 million shares in WOP in order to facilitate the settlement of over-allocations in connection with the WOP Placing;
- (j) a deed of non-competition dated 29 March 2016 entered into by the Company in favour of WOP (for itself and for each of its subsidiaries), pursuant to which the Company agreed not to, among other things, engage or participate in any business which is in competition with WOP's business;
- (k) an underwriting agreement dated 29 March 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the issue and offer of 38 million new shares by WOP for subscription in Hong Kong;
- (l) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope Limited and WOE in respect of the acquisition by Sparkle Hope Limited of the entire issued share capital of, and shareholders' loans owed by, East Run Investments Limited ("**East Run**") and More Action Investments Limited ("**More Action**") at a consideration of HK\$2,047,989,378;
- (m) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope Limited under which WOE assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to WOE in the amount of HK\$2,047,989,378 to Earnest Spot Limited absolutely, in consideration of which Earnest Spot Limited issued to WOE one share, credited as fully paid, in its issued share capital;
- (n) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope Limited under which Earnest Spot Limited assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to Earnest Spot Limited in the amount of HK\$2,047,989,378 to WOP absolutely, for a consideration of HK\$1.00;

- (o) a sale and purchase agreement dated 1 December 2015 entered into between Super Eagle Limited as purchaser, East Run, a then indirectly wholly-owned subsidiary of the Company, as vendor, and the Company as guarantor, in relation to the sale and the assignment of the entire issued share capital of Level Success Limited and the benefit of the loan owed by Level Success Limited to East Run for a total consideration of HK\$823.0 million (subject to adjustment as stipulated in the agreement), the details of which were set out in the announcement of the Company dated 1 December 2015;
- (p) a loan agreement dated 17 August 2015 entered into between Double Leads as the lender and CAP as the borrower, in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK\$100.0 million at an interest rate of 12.0% per annum to CAP for a term of 36 months commencing from 17 August 2015 and expiring on 16 August 2018; and
- (q) a provisional sale and purchase agreement dated 12 August 2015 entered into between East Run as the vendor, the Company as the guarantor and Dragon Jet Limited as the purchaser, in relation to the sale and assignment of the entire issue share capital and shareholder loan of Easy Kingdom Limited at a consideration of HK\$158.0 million, the details of which were set out in the announcement of the Company dated 12 August 2015.

The WOP Group

Within the two years immediately preceding 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 Agreement;
- (b) a sale and purchase agreement dated 20 February 2017 entered into between Joyful Lake Limited, an indirectly wholly-owned subsidiary of WOP, as purchaser, and independent third party individuals, as vendors, in relation to the sale of the entire issued share capital of PT Harvest Holdings Limited beneficially held by the vendors and the assignment of the benefit of the loan owed by PT Harvest Holdings Limited to the vendors for a total consideration of HK\$274,549,000, the details of which were set out in the announcement of the Company dated 20 February 2017;

- (c) a sale and purchase agreement dated 7 November 2016 entered into between Delight Keen Limited, an indirectly wholly-owned subsidiary of WOP, as the purchaser and Thing On Group Limited as the vendor and Mr. Wong Fung Hing as the guarantor in relation to the acquisition of Fession Group Limited and its subsidiary for a consideration of HK\$512,225,000;
- (d) a provisional sale and purchase agreement dated 4 November 2016 entered into between Precious Investments Limited, an indirectly wholly-owned subsidiary of WOP, as the purchaser and World Success Limited as the vendor in relation to the acquisition of a property located at G/F. & M/F., No. 166 Sai Yeung Choi Street South, Kowloon for a consideration of HK\$83.3 million;
- (e) an underwriting agreement dated 6 April 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the WOP Placing;
- (f) a deed of non-competition dated 29 March 2016 entered into by the Company in favour of WOP (for itself and for each of its subsidiaries), pursuant to which the Company agreed not to, among other things, engage or participate in any business which is in competition with WOP's business;
- (g) an underwriting agreement dated 29 March 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the issue and offer of 38 million new shares by WOP for subscription in Hong Kong;
- (h) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope Limited and WOE in respect of the acquisition by Sparkle Hope Limited of the entire issued share capital of, and shareholders' loans owed by, East Run and More Action at a consideration of HK\$2,047,989,378;
- (i) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope Limited under which WOE assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to WOE in the amount of HK\$2,047,989,378 to Earnest Spot Limited absolutely, in consideration of which Earnest Spot Limited issued to WOE one share, credited as fully paid, in its issued share capital;

- (j) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope Limited under which Earnest Spot Limited assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to Earnest Spot Limited in the amount of HK\$2,047,989,378 to the Company absolutely, for a consideration of HK\$1.00;
- (k) a sale and purchase agreement dated 1 December 2015 entered into between East Run as the vendor, the Company as the guarantor and Super Eagle Limited, an independent third party, as the purchaser, in relation to the disposal of Level Success Limited which held properties known as “Riviera Gardens” located at Tsuen Wan, New Territories together with the right to use and occupy a commercial building known as “Riviera Plaza” of Riviera Gardens and all those carparking spaces of Riviera Plaza of Riviera Gardens for a total consideration of HK\$823.0 million (subject to adjustment as stipulated in the agreement);
- (l) a conditional sale and purchase agreement dated 13 November 2015 entered into between East Run as the vendor and Guidepost Investments Limited (“**Guidepost**”), as the purchaser, a wholly-owned subsidiary of WTY, in relation to the disposal of Sunbo Investment Limited and Good Excellent Limited, which held properties located at Shop B on Ground Floor, including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories and all that Shop on Ground Floor, with the Cockloft, 60A Yen Chow Street, Kowloon, respectively, for an aggregate consideration of HK\$70.0 million (subject to adjustment as stipulated in the agreement); and
- (m) a provisional sale and purchase agreement dated 12 August 2015 entered into between East Run as the vendor, the Company as the guarantor and Dragon Jet Limited, an independent third party, as the purchaser, in relation to the disposal of Easy Kingdom Limited which held a property located at Shop Nos. 4 & 5 on Ground Floor, Mongkok Building, Nos. 93, 95 & 99 Mongkok Road, Nos. 135A & 135B Sai Yee Street, Kowloon, Hong Kong for a total consideration of HK\$158.0 million.

The WYT Group

Within the two years immediately preceding 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) a conditional underwriting agreement dated 4 July 2017 entered into between, inter alia, CAP, Key High Limited (“**Key High**”) (an indirectly wholly-owned subsidiary of the Company) and WYT in relation to the underwriting of certain rights shares proposed by CAP;
- (b) a conditional subscription agreement dated 4 July 2017 entered into between Key High and CAP in relation to the subscription of convertible notes to be issued by CAP;
- (c) a conditional agreement dated 4 July 2017 entered into between Winning Rich, as the lender and bondholder, and CAP, as the borrower and bond issuer, in relation to the terms of the 2019 CAP Bonds;
- (d) an extension agreement dated 29 May 2017 entered into between Winning Rich, as the lender, and CAP, as the borrower, pursuant to which Winning Rich agreed to extend the payment date of the interest accrued on the 2019 CAP Bonds to be otherwise due and payable on 29 May 2017 to 31 August 2017 at an interest rate of 12% on the outstanding interest, the details of which were set out in the announcement jointly issued by the Company, WYT and CAP dated 29 May 2017;
- (e) a loan agreement dated 5 October 2016 entered into between Able Trend Limited, an indirectly wholly-owned subsidiary of WYT, as the lender, and Easy One as the borrower, in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK\$100.0 million at an interest rate of 6.5% per annum to Easy One for a term of 24 months commencing from 5 October 2016 and expiring on 4 October 2018, the details of which are set out in the announcement of WYT dated 5 October 2016;
- (f) an office sub-licensing agreement dated 19 September 2016 entered into between Daywin Limited as licensor and Wang On Management Services Limited, a wholly-owned subsidiary of the Company, as licensee in relation to the sub-licensing of office premises located in Kowloon Bay, Kowloon and the details of which are set out in the announcement of WYT dated 19 September 2016;

- (g) an office sub-licensing agreement dated 19 September 2016 entered into between Daywin Limited as licensor and Wang On Properties Services Limited, a wholly-owned subsidiary of WOP, as licensee in relation to the sub-licensing of office premises located in Kowloon Bay, Kowloon and the details of which are set out in the announcement of WYT dated 19 September 2016;
- (h) an underwriting agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016 and a second supplemental agreement dated 27 July 2016) entered into between WYT and KSL in relation to the rights issue by WYT on the basis of three rights share for every one existing share at a subscription price of HK\$0.43 per rights share, as detailed in WYT's announcement dated 8 July 2016 and the prospectus dated 6 September 2016;
- (i) a conditional sale and purchase agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between Double Leads, the Company and Winning Rich under which Winning Rich will acquire a bond from Double Leads and the Company will provide a guarantee in favour of Winning Rich for the due and punctual performance of CAP's obligations under a 10.0% bond due on 28 November 2019 with an outstanding principal amount of HK\$200.0 million issued by CAP;
- (j) the agreement dated 5 July 2016 entered into between Caffco International Ltd, The Sky High Plastic Works Limited and New Grade Limited in respect of procurement for vacation of a factory building and two dormitory buildings erected on the Land Lot No. G12204-0126 located at Nanbu Village, Pingshan Town, Shenzhen, the PRC (the "**SZ Properties**") at a consideration of HK\$9.0 million;
- (k) five agreements all dated 5 July 2016 entered into between The Sky High Plastic Works Limited and New Grade Limited in relation to sale and purchase of certain existing fittings and various consultation services to New Grade Limited at an aggregate consideration of HK\$19.0 million;
- (l) the provisional sale and purchase agreement dated 16 July 2015 entered into between The Sky High Plastic Works Limited and New Grade Limited in relation to the acquisition by New Grade Limited of a property in Shenzhen, as supplemented by supplemental agreements dated 16 October 2015, 29 December 2015, 24 February 2016, 27 April 2016, 27 July 2016 and 30 December 2016;

- (m) a provisional sale and purchase agreement dated 25 November 2015 entered into between an individual who is an independent third party to the WYT Group and Smart First Investment Limited, an indirectly wholly-owned subsidiary of WYT, in relation to the disposal of a property located at Ground Floor, First Floor, Second Floor and Rooftop of No.68 San Hong Street, Sheung Shui, New Territories, Hong Kong for a total consideration of HK\$88.0 million, the details of which were set out in the announcement issued by WYT on 26 November 2015; and
- (n) a conditional sale and purchase agreement dated 13 November 2015 entered into between Guidepost, an indirectly wholly-owned subsidiary of WYT as purchaser, and East Run, a then indirectly wholly-owned subsidiary of the Company as vendor, in relation to the acquisition by Guidepost of Sunbo Investment Limited and Good Excellent Limited, which held properties located at Shop B on Ground Floor, including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87&89 Chuen Lung Street, Tsuen Wan, New Territories and all that Shop on Ground Floor, with the Cockloft, 60A Yen Chow Street, Kowloon, respectively, for an aggregate consideration of HK\$70.0 million (subject to adjustment as stipulated in the agreement), the details of which were set out in the announcement and circular issued by WYT on 13 November 2015 and 4 December 2015, respectively.

8. EXPERT AND CONSENT

The following is the qualification of the expert whose statement has been included in this circular:

Name	Qualification
Asset Appraisal Limited	Independent professional valuer

The expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter or opinion or report or reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the expert had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the expert had not had any direct or indirect interests in any assets which have been, since 31 March 2017 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

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 Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, 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 AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this circular up to and including 11 August 2017:

- (a) the memorandum of association and the Bye-laws;
- (b) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;
- (c) the valuation report on the Property prepared by Asset Appraisal Limited as set out in Appendix II to this circular;
- (d) the annual reports of the Company for the two financial years ended 31 March 2015 and 2016; and
- (e) this circular.