THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 adviser.

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 and the accompanying form of proxy 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.

WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

VERY SUBSTANTIAL DISPOSAL OF 60% SHAREHOLDINGS IN A SUBSIDIARY HOLDING THE PROJECT IN MA ON SHAN, NEW TERRITORIES, MAJOR TRANSACTION FOR POSSIBLE PROVISION OF FINANCIAL ASSISTANCE AND 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 27/F, Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong on Monday, 6 November 2017 at 4:00 p.m. is set out on pages SGM-1 to SGM-3 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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) if you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

* *For identification purpose only*

12 October 2017

CONTENTS

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

"Agreement"	the conditional sale and purchase agreement dated 8 September 2017 entered into between the Vendor, Sparkle Hope, the Purchaser and Angel View in relation to the Disposal
"Angel View"	Angel View International Limited (恒宙國際有限公司), a company incorporated in the British Virgin Islands with limited liability, being the Purchaser's guarantor under the Agreement
"associate(s)"	has the meaning as ascribed thereto under the Listing Rules
"Board"	the board of the Directors
"Business Day(s)"	a day (except Saturdays, Sundays, public holidays and when Typhoon Signal No. 8 or above or Black Rainstorm Warning Signal is hoisted) on which the Bank is open for business in Hong Kong
"Bye-laws"	the bye-laws of the Company
"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$2,441,250,000 (subject to adjustment)
"Construction Payments"	the amount of HK$250,000,000 to be advanced prior to the date of Completion by the Vendor to the Target which is unsecured and interest-free for the repayment of the existing syndicated loan withdrawn for the purpose of payment of initial construction fees for the Project. Such amount will not form part of the Shareholder Loan to be assigned to the Purchaser

* *For identification purpose only*

"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares and the assignment of the Shareholder Loan by the Vendor to the Purchaser pursuant to the Agreement
"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)
"Facility Agreement"	the conditional facility agreement dated 8 September 2017 entered into between the Vendor, the Purchaser and Angel View as the Purchaser's guarantor in relation to the Vendor Loan
"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
"Latest Practicable Date"	9 October 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 (excluding the Shareholder Loan, the existing syndicated loan, the Construction Payments and deferred tax liabilities)
"Possible Financial Assistance"	(i) any financial assistance, up to a total amount of HK$1.5 billion (including the Construction Payments), that might be provided by the WOP Group to the Target Group for the purpose of the Project, on terms described in this circular together with (ii) the Vendor Loan
"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 development project situated on the Property
"Project Company"	Loyal Pioneer Limited (鋒尚有限公司), a company incorporated in Hong Kong with limited liability and a directly wholly-owned subsidiary of the Target, which directly holds the Property and the rights to carry out the Project
"Property"	being the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No. 601) with site area of about 253,000 square feet and estimated gross floor area of about 387,500 square feet
"Purchaser" or "Clear Idea"	Clear Idea International Limited (顯意國際有限公司), an investment holding company incorporated in the British Virgin Islands with limited liability and a fellow subsidiary of Angel View indirectly wholly owned by Angel View's parent company, being the purchaser under the Agreement
"Remaining Group"	the Group other than the Target Group
"Sale Shares"	six issued ordinary shares of the Target, representing 60% 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)
"SGM"	the special general meeting of the Company to be held at 27/F, Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong on Monday, 6 Novemebr 2017 at 4:00 p.m.
"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 to be entered into between the Vendor, Sparkle Hope, the Purchaser, Angel View and the Target upon Completion to govern the management and operation of the Target Group

"Shareholder Loan"	60% of the loan owing by the Target to the Vendor (excluding the Construction Payments) at the date of Completion, being an interest free shareholder loan and repayable on demand, which, subject to and on the terms and conditions of the Agreement, shall be assigned by the Vendor to the Purchaser on Completion
"Sparkle Hope"	Sparkle Hope Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP, being the Vendor's guarantor under the Agreement
"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"	Ease Mind Investments 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 "More Action"	More Action Investments Limited, 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
"Vendor Loan"	the secured term loan facility in the principal amount of HK$600,000,000 to be advanced by the Vendor to the Purchaser for a term of 24 months from the date of Completion
"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

"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 whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243), a listed 56.54%-owned subsidiary of the Company
"WYT Group"	WYT and its subsidiaries
"%"	per cent.

* *For identification purpose only*

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, *JP (Chairman)*
Ms. Yau Yuk Yin *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas *(Managing Director)*

Independent non-executive Directors:
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, SBS, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J*
Mr. Siu Kam Chau

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

12 October 2017

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL OF
60% SHAREHOLDINGS IN A SUBSIDIARY HOLDING THE PROJECT
IN MA ON SHAN, NEW TERRITORIES,
MAJOR TRANSACTION
FOR POSSIBLE PROVISION OF FINANCIAL ASSISTANCE
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement dated 11 September 2017 jointly issued by the Company and WOP in relation to, *inter alia*, the Disposal and the Possible Financial Assistance.

* *For identification purpose only*

The purpose of this circular is to provide you with, among others, the details of the Disposal and the Possible Financial Assistance as required under the Listing Rules and the notice of the SGM.

AGREEMENT

Date

8 September 2017

Parties

(i) More Action, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of the Company) and is principally engaged in investment holding, as the Vendor;

(ii) Sparkle Hope, a company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP and is principally engaged in investment holding, as the Vendor's guarantor;

(iii) Clear Idea, a company incorporated in the British Virgin Islands with limited liability and a fellow subsidiary of Angel View indirectly wholly owned by Angel View's parent company and is principally engaged in investment holding, as the Purchaser; and

(iv) Angel View, a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding, as the Purchaser's guarantor.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Purchaser, Angel View and their respective ultimate beneficial owner(s) is a third party independent of and not connected with the Company and connected persons. There was no previous transaction entered into between the Company and the Purchaser, Angel View and their respective ultimate beneficial owner(s) which shall be aggregated with the Disposal and/or the Possible Financial Assistance.

Assets to be disposed of

Pursuant to the Agreement, the Purchaser has agreed to acquire, and the Vendor has agreed to sell, the Sale Shares (representing 60% of the entire issued share capital of the Target as at the Latest Practicable Date) and assign the benefit of the Shareholder Loan.

Consideration and payment

The Consideration for the purchase of the Sale Shares and the assignment of the Shareholder Loan shall be HK$2,441,250,000 (subject to adjustment below), which was determined, after arm's length negotiations between the Purchaser and the Vendor with reference to, *inter alia*, the market value of the Property, the estimated gross floor area of approximately 387,500 square feet to be developed under the Project, the amount required for development of the Project, the development potential of the Project, the existing status of the Property and unpaid commitments of the Project, and calculated as follows:

60% (HK$10,500 per square feet x 387,500 square feet) = HK$2,441,250,000

The unit price of HK$10,500 per square feet was determined by the parties with reference to the recent market transaction for properties located in the vicinity, and not based on the valuation as included in Appendix IV.

The Consideration which had been/shall be paid by the Purchaser to the Vendor in the following manner:

(a) a sum of HK$244,125,000 had been paid and applied as deposit (the "**Deposit**") as at the date of the Agreement;

(b) a sum of HK$244,125,000 had been paid towards part-payment of the Consideration (the "**Partial Consideration**"); and

(c) the balance of the Consideration (after deducting the Vendor Loan) shall be paid on the date of Completion.

The Consideration shall be adjusted by adding thereto the amount equivalent to 60% of the Net Current Asset Value (if it is a positive amount) or subtracting therefrom the absolute value of the amount of equivalent to 60% of such Net Current Asset Value (if it is a negative amount). 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%.

Conditions

Completion is conditional upon the satisfaction (or waiver, if applicable) of the following conditions:

(i) the Partial Consideration shall be paid on or before 28 September 2017;

(ii) the obtaining of the approvals from the shareholders of each of the Company and WOP at the special general meetings for the Disposal, the Agreement and the Possible Financial Assistance;

(iii) the obtaining of new syndicated loan of not less than HK$1.17 billion by the Project Company in replacement of the existing syndicated loan owed by the Project Company and the release of existing encumbrances over assets of the Project Company arising from such existing loan upon Completion; and

(iv) the fundamental warranties given by the Vendor remaining true and accurate in all respects and not misleading on and as at the date of Completion.

The above condition (i) had been fulfilled on or before 28 September 2017 as scheduled.

If any of the above conditions (ii), (iii) or (iv) is not fulfilled or waived by the Purchaser (as the case may be, save for conditions (ii) and (iii) above) at or before 1:00 p.m. on 31 October 2017, such long stop date shall be automatically extended for another 30 days. If they are still not fulfilled or waived by the Purchaser (as the case may be, save for conditions (ii) and (iii) above) on or before such extended long stop date, either parties can serve a termination notice within seven Business Days after the extended long stop date on the other parties.

If the Agreement is terminated due to:

(i) the non-fulfilment of condition (iii) above and in the absence of any default of the Vendor and the Purchaser, the whole of the Deposit together with the Partial Consideration having been paid by the Purchaser shall forthwith be returned to the Purchaser without any interest within three Business Days of the termination of the Agreement after which no party to the Agreement shall have any claims or obligations towards the other (save for any antecedent breaches of the Agreement);

(ii) (A) the non-fulfilment of condition (iii) above as the Purchaser has failed to use its best endeavours; or (B) the failure of the Purchaser to comply fully with any of its obligations for Completion, the Purchaser shall be deemed to be in breach of the Agreement and the Vendor shall be entitled to forfeit the Deposit in its entirety in addition to any other remedies and/or compensation that may be available to the Vendor; and

(iii) (A) the non-fulfilment of condition (ii); and/or (B) the non-fulfilment of condition (iii) and/or (iv) above as the Vendor has failed to use its best endeavours; or (C) the failure of the Vendor to comply fully with any of its obligations for Completion, the Vendor shall be deemed to be in breach of the Agreement and in addition to any other remedies and/or compensation that may be available to the Purchaser, the whole of the Deposit together with the Partial Consideration (if having been paid by the Purchaser) shall forthwith be returned to the Purchaser without any interest within three Business Days of the termination of the Agreement.

Completion

Completion shall take place on the third Business Day after conditions (i) and (ii) above have been fulfilled, or such other date as may be agreed by the parties thereto.

Upon Completion, the Target will cease to be a subsidiary of the Group and will become a company owned as to 40% by the WOP Group and 60% by the Purchaser.

Other terms

Repayment of the Construction Payments

The parties further agreed to use their reasonable commercial endeavours to procure the Project Company to drawdown not less than HK$250,000,000 from the new syndicated loan to be obtained by the Project Company, so that the Construction Payments can be repaid. If the amount of the drawdown on Completion is greater than the amounts of those existing syndicated loan and interests accrued thereon, the same shall be applied to repay the shareholder loan of the Target on a pro rata basis. For the avoidance of doubt, if the Project Company fails to drawdown the relevant loan or such drawdown is not allowed under the terms of the new syndicated loan obtained by the Project Company, the timing of repayment shall be correspondingly postponed until it is permitted by the terms of the new syndicated loan obtained by the Project Company or when the Target Group has surplus. Save as disclosed above, there is no any specific repayment deadline in relation to the Construction Payments, which will form part of the shareholder loan advanced by the WOP Group to the Target Group.

Partial refund of the Consideration

In view of the tax implications on the Purchaser due to the fact that the Consideration is higher than the carrying value of the Project and such excess may not be tax deductible, pursuant to the Agreement, the Vendor undertakes to downward adjust the Consideration by refunding a sum of HK$164,958,750 (which was calculated with reference to the difference between the unit price of HK$10,500 per square feet and the carrying value of the land of the Project, the gross floor area of the Project, the interests to be held by the Purchaser in the Target and the applicable tax rate) upon the second anniversary date of Completion to the Purchaser (i) by cash upon receipt of the written request from the Purchaser, or (ii) (if there is outstanding Vendor Loan) by off-setting the outstanding amount of the Vendor Loan to be repaid by the Purchaser at its maturity. If the Vendor Loan is not duly settled by the Purchaser upon maturity, the obligation of the Vendor to pay the said refund shall be postponed until the date the Vendor Loan is fully settled by the Purchaser. Such refund will be made to the Purchaser no matter whether the relevant government authorities determine that such amount is tax deductible or not.

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 site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No. 601), which has been acquired by the Target on 19 May 2017. The site will be developed as a residential project with site area of approximately 253,000 square feet and estimated gross floor area of approximately 387,500 square feet.

It is expected that the foundation work of the Project will be commenced in the fourth quarter of 2017 and completion of the Project will take place in 2020.

Set out below is the unaudited financial information of the Target Group for the two financial years ended 31 December 2016 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 December	
	2016	**2015**
	HK$ million (unaudited)	*HK$ million* (unaudited)
Revenue	–	–
Net loss before taxation	(0.2)	(0.1)
Net loss after taxation	(0.2)	(0.1)

The unaudited net liability value of the Target Group as at 31 August 2017 was approximately HK$5.1 million.

POSSIBLE FINANCIAL EFFECT OF THE DISPOSAL

Based on, *inter alia*, the Consideration, the partial refund of Consideration, the Shareholder Loan, 60% of the existing syndicated bank loan, the Construction Payments and the unaudited net liabilities as at 31 August 2017 and the related expenses for the Disposal, the WOP Group currently expects to record a gain arising from the Disposal of approximately HK$796.2 million upon Completion subject to review by the auditors of the Company. **Shareholders 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 auditors.**

Upon Completion, the Target Group will cease to be subsidiaries of the Group. The Disposal upon Completion will therefore result in the deconsolidation of the assets and liabilities of the Target Group from the Group's consolidated accounts. The Disposal will not bring any material impact on the earnings of the Group, except that a gain is expected to be recorded upon Completion as mentioned above. It is expected that the net asset value of the Group will be increased by such gain following the Completion.

USE OF PROCEEDS FROM THE DISPOSAL

The net proceeds (after considering the repayment of the principal of the existing syndicated bank loan, together with its interest incurred, the partial refund of the Consideration, deducting other expenses in relation thereto and receipt of the new syndicated bank loan and the Construction Payments of a total of approximately HK$913.5 million) of approximately HK$1,527.8 million arising from the Disposal will be used as to HK$600.0 million for the Vendor Loan, as to approximately HK$860.0 million for potential projects in property development and/or property investment and as to the balance of approximately HK$67.8 million for general working capital of the WOP Group.

SHAREHOLDER AGREEMENT

The parties will enter into the Shareholder Agreement to govern their relationship as shareholders of the Target and the management and operation of the Target Group after Completion with details as follows:

Date

Date of Completion

Parties

(i) More Action (the Vendor);

(ii) Sparkle Hope, as More Action's guarantor;

(iii) Clear Idea (the Purchaser);

(iv) Angel View, as Clear Idea's guarantor; and

(v) the Target.

Board and Management

The board of directors of Target shall consist of five directors, three 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 Purchaser. The quorum for the board meeting shall be four directors.

Capital Commitment

Pursuant to the Shareholder Agreement, all funding requirements of the Target Group shall be (i) first met by existing capital of the Target Group; (ii) by raising funds by way of external bank borrowings; and (iii) if the external bank borrowings are not able to cover all funding requirements, such funding requirements shall be met by unsecured interest-bearing shareholder's loans (at an interest rate of 9.5% per annum with reference to the prevailing market interest rates in Hong Kong and the PRC) 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, all resolutions of the directors and/or shareholders (as the case may be) of the Target shall be passed by a simple majority vote.

Restriction on transfer

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. For the purpose of such restriction, during the term of the cooperation, the Vendor shall be directly or indirectly wholly owned by WOP and the Purchaser shall be beneficially owned as to not less than 70%, and ultimately controlled by, Angel View's parent company.

Subject to the consent of the lenders of the Target Group, the shareholder of the Purchaser may indirectly dispose of their interests in the Target Group by transferring not more than 30% of its shareholding in the Purchaser within six months from the date of the Shareholder Agreement. Further, subject to lenders' consent and without prejudice to the main commercial terms of new loans to be obtained by the Target Group at Completion, Angel View's parent company shall be entitled to transfer (directly or indirectly) not more than 30% of its shareholding in the entity holding the Purchaser for the purpose of the employee incentive schemes of Angel View's parent company.

Dividend policy and Shareholder Loan repayment

In the event that the pre-sale and sale revenues of the Project, in accordance with the Target's monthly financial report, have covered the Target's financing costs, unpaid expenses incurred in the Project approved by the Purchaser and the Vendor, expected taxes and the operating expenses of the Target Group for the following three months, the Target shall pay to the shareholders dividend in proportion to their shareholdings or to settle existing shareholder loan(s) of the Target subject to provisions of relevant external borrowing(s) or loan agreement(s) and government policies (including but not limited to land transfer regulations and relevant pre-sale regulations).

Deadlock

A deadlock shall occur where a matter ("**Deadlock Matter(s)**") cannot be resolved at the board meeting or shareholders' meeting within 14 Business Days of the date on which the resolution was first proposed or adopted for the meeting, and that such resolution is fundamental to the operation of the Target Group and the failure to pass such resolution will have a material adverse effect on the business of the WOP Group.

In the event that any deadlock occurs the shareholders shall refer the Deadlock Matter(s) to the chairman of the shareholders or the representatives appointed by the shareholders in order to obtain a consensus to resolve the dispute. If there is no consensus reached within 30 Business Days from the date of referral to the Chairman or representative, the Deadlock Matter(s) shall be referred to and finally settled by arbitration in which each of the Purchaser and the Vendor shall each appoint one arbitrator and shall jointly appoint the third arbitrator.

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 three months after the service of such default notice, failing which the Non-defaulting Party is entitled to require the Defaulting Party to sell to the Non-defaulting Party all of the shares and shareholder loan owned by the Defaulting Party at 70% 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 as an expert (and not an arbitrator) in accordance with the Shareholder Agreement.

POSSIBLE PROVISION OF FINANCIAL ASSISTANCE TO THE PURCHASER AND THE TARGET

Vendor Loan

On 8 September 2017, the Vendor also entered into the Facility Agreement with the Purchaser and Angel View as the Purchaser's guarantor pursuant to which the Vendor has conditionally agreed to advance the Vendor Loan of the principal amount of HK$600,000,000 to the Purchaser at an interest rate of 0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate) for a term of 24 months from the date of Completion for the sole purpose of the Disposal.

Date	8 September 2017
Lender	More Action
Borrowers	Clear Idea
Loan amount	HK$600,000,000
Interest rate	0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate)
Term	24 months from the date of Completion

Repayment	Interests shall be accrued and be paid by Clear Idea to More Action on each anniversary of the date of the Facility Agreement and the principal shall be repaid in one lump sum, together with all accrued interests and all other monies payable thereon in full, on the day falling on the expiry of 24 months from the date of Completion.
Securities	The Vendor Loan is secured by (i) a first-ranking share charge over the 60% shareholdings in the Target beneficially owned by Clear Idea (in the event that such shares are not securities for the new loans to be obtained by the Target Group at Completion) or a second-ranking share charge over the 60% shareholdings in the Target beneficially owned by Clear Idea (in the event that such shares are securities for the new loans to be obtained by the Target Group at Completion); and (ii) a corporate guarantee from Angel View.
Condition	The obtaining of the approvals from the shareholders of each the Company and WOP at their respective special general meetings for the Facility Agreement.
Other term	The Purchaser shall be wholly beneficially owned and ultimately controlled by Angel View's parent company as at the date of drawdown under the Facility Agreement and thereafter shall remain to be beneficially owned as to not less than 70%, and ultimately controlled by, Angel View's parent company during the term of the Vendor Loan.

Possible Financial Assistance to the Target Group

To cater for any funding requirements of the Target Group for the development of the Project in the future, including the expected commitments of the development including but not limited to construction and other project development costs, interest and selling expenses, financial assistance of not more than HK$1.5 billion 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 unsecured interest-bearing shareholder loan (at an interest rate of 9.5% per annum)), but on the basis that it can only be given by the WOP Group severally, in proportion to its shareholding interests in the Target and on normal commercial term after Completion. It is expected that the amount of the shareholder loan (including the Construction Payments, if not repaid) to be provided by the WOP Group will be not more than approximately HK$450 million. Such financial assistance is subject to the approvals from the Shareholders and shareholders of WOP at their respective special general meetings.

Construction Payments

The Construction Payments of HK$250,000,000 shall be advanced prior to the date of Completion by the Vendor to the Target which is unsecured and interest-free for the repayment of the part of existing syndicated loan withdrawn for the purpose of payment of initial construction fees for the Project.

REASONS FOR AND BENEFITS OF THE DISPOSAL AND THE POSSIBLE FINANCIAL ASSISTANCE

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; and (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT. 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 the acquisition expenses and obtain a one-off respectable financial reward within a short period of time.

The terms of the Facility Agreement were negotiated on an arm's length basis between the Vendor and the Purchaser. The Purchaser requested for the Vendor Loan as a kind of bridging loan to facilitate the acquisition of controlling interests in the Target. Taking into account that the Vendor Loan is solely for the purpose of the Disposal and is interest-bearing and secured, the satisfactory financial background of the Purchaser and its ultimate controlling shareholder and the corporate guarantee provided by Angel View, the Directors consider that the terms of the Facility Agreement are fair and reasonable. Given that the provision of financial assistance to the Target Group would also be provided pro-rata to the WOP Group's shareholding in the Target after Completion and only on normal commercial terms, the Directors (including independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and each of the Disposal, the Agreement and the provision of the Possible Financial Assistance is in the interests of the Company and the Shareholders as a whole.

GENERAL

Each of the Disposal and the Possible Financial Assistance constitutes a very substantial disposal and 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 75%; and (b) the Possible Financial Assistance exceed 25%.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their associates has any material interest in the Agreement, the Disposal, the Possible Financial Assistance and the transactions contemplated thereunder, thus no Shareholder is required to abstain from voting at the SGM.

SGM

A notice convening the SGM of the Company to be held at 27/F, Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong on Monday, 6 November 2017 at 4:00 p.m. is set out on pages SGM-1 to SGM-3 of this circular.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend and vote in person at the SGM, you are requested to complete the enclosed 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 Level 22, Hopewell Centre, 183 Queen's Road East, 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 may be). 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.

RECOMMENDATION

For the reasons set out above, the Directors consider that the terms of the Disposal and the Possible Financial Assistance 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 to be proposed at the SGM.

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 (pages 65 to 193), respectively, which are published on both the websites of HKExnews (www.hkexnews.hk) and the Company (www.wangon.com). The auditors of the Company have 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 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/2017/0727/LTN20170727393.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 August 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$5,829.0 million, of which bank loans with an aggregate amount of approximately HK$4,200.9 million were secured by the Group's land and buildings, investment properties and certain rental income generated therefrom, properties under development, available-for-sale investments and financial assets at fair value through profit or loss, share charges in respect of the entire interests of three subsidiaries of the Group, which are engaged in property development. The carrying values of the Group's land and buildings, investment properties, properties under development, available-for-sale investments and financial assets at fair value through profit or loss as at 31 August 2017, which were pledged to secure the Group's bank loans, amounted to approximately HK$520.5 million, HK$1,819.3 million, HK$4,072.0 million, HK$127.2 million and HK$71.2 million, respectively. In addition, the Group's unsecured bank loans with an aggregate amount of approximately HK$1,621.9 million were guaranteed by corporate guarantees provided by the Company and unsecured other loans of approximately HK$6.2 million as at 31 August 2017. The Group's secured bank loans bear contractual interest rate ranging from Prime Rate minus 2.50% to 2.75% or HIBOR plus 1.1% to 2.35%, whilst the Group's unsecured bank and other loans bear contractual interest rate ranging from HIBOR plus 1.5% to 2.05% and 6.0%, respectively. The WOP Group provided guarantee(s) to banks in respect of banking facilities extended to a joint venture in an aggregate amount of approximately HK$480.5 million.

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 August 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 (any event of force majeure occurs including without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out).

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 long term 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.

WYT became a subsidiary of the Group during the year ended 31 March 2017 marks another milestone of the Group. Taking into account the 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 the WYT Group. The solid foundations, recognised brand value of the 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 a period of transition to the new manufacturing facilities in Yuen Long factory. The Group 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, it is believed the Group is on the right track turning WYT to be 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 actively involve in search of opportunities to expand its management portfolio which in turn to further improve its 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 the Shareholders.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

The management discussion and analysis of the Remaining Group for three years ended 31 March 2017 is set out below. Following the Disposal, the Remaining Group will continue to carry out its existing businesses. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the audited consolidated financial statements of the Group for each of the financial years ended 31 March 2017, 31 March 2016 and 31 March 2015.

A. For the year ended 31 March 2017 *(as extracted from the annual report of the Company for the year ended 31 December 2017 and as such, references to "WYTH" in the below paragraphs shall be read as references to "WYH")*

Liquidity and Financial Resources

As at 31 March 2017, the Group's total assets less current liabilities were approximately HK$9,763.0 million (2016: approximately HK$6,199.7 million) and the current ratio decreased from approximately 6.0 times as at 31 March 2016 to approximately 2.3 times as at 31 March 2017.

As at 31 March 2017, the Group held cash resources and short-term investments of approximately HK$2,709.6 million (2016: approximately HK$1,631.0 million).

Aggregate borrowings as at 31 March 2017 amounted to approximately HK$4,081.3 million (2016: approximately HK$2,208.8 million).

The gearing ratio was approximately 37.1% (2016: approximately 20.2%), calculated by reference to the Group's total bank and other loans net of cash and cash equivalents and the equity attributable to owners of the parent.

Debt profiles and financial planning

As at 31 March 2017, interest-bearing debt profile of the Group was analysed as follows:

	2017	**2016**
	HK$'000	*HK$'000*
Bank loans repayable:		
Within one year or on demand	763,948	600,047
In the second year	777,622	984,891
In the third to fifth years, inclusive	1,988,001	379,488
Beyond five years	522,858	–
	4,052,429	1,964,426
Other loans repayable:		
Within one year or on demand	28,845	–
In the second year	–	92,001
In the third to fifth years, inclusive	–	152,361
	28,845	244,362
	4,081,274	2,208,788

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

Debt and Pledge of Assets

As at 31 March 2017, the Group's land and buildings, investment properties (including the investment properties included in assets held for sale) and properties under development with carrying value of approximately HK$533.3 million, HK$1,574.7 million and HK$1,756.7 million (2016: approximately HK$60.1 million, HK$654.0 million and HK$2,910.5 million), respectively, were pledged as security for the bank borrowing.

Capital Commitment and Contingent Liabilities

The Group's capital commitment as at 31 March 2017 amounted to approximately HK$2,319.9 million (2016: approximately HK$127.5 million) is mainly for property development business. The Group had no significant contingent liabilities as at the end of the reporting period.

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$46.0 million (2016: approximately HK$567.5 million) which was mainly contributed by the sale of a unit in "726 Nathan Road". The Group has launched the pre-sales of two Ma On Shan projects, "The Met. Blossom" (Ma Kam Street, Ma On Shan – Sha Tin Town Lot No. 599) and "The Met. Bliss" (Hang Kwong Street, Ma On Shan – Sha Tin Town Lot No. 598) in August and October 2016, respectively.

For "The Met. Blossom" project received excellent market response and satisfactory results was mainly attributable to the successful sales strategy and precise positioning of the project. Selling at a close-to-market price, the project has attracted singles and young couples who are end users as well as investors. The foundation works and top up have been completed and the fitting out works are undergoing and the expecting completion of this project will be in 2018.

For "The Met. Bliss" project, all of the 364 units released were sold and the contracted pre-sales amounted to approximately HK$1.5 billion. "The Met. Bliss" comprises studios, one-bedroom units and a limited number of two-bedroom units that are rarely offered in Ma On Shan, to meet the demand of small-sized flats in the district. Same as "The Met. Blossom", the foundation works and top up have been completed and the fitting out works are undergoing. The project is expected to be delivered in 2018. The Group owns 60% equity interest in this development and the results and financial position will be consolidated into the financial statements of the Group.

The Group's third residential project in Shatin district, the site at Tai Po Road – Tai Wai Section (Sha Tin Town Lot No. 587), is officially named as "The Met. Acappella". "The Met. Acappella" is a residential building consisting of two wings of 12 and 13-storeys, offering around 336 units. It comprises diversified unit layouts including studios, 1-bedroom units, 1-bedroom (with store room or study room) units, that account for over 80% of all units. The project also offers garden duplex units and penthouse units with rooftop terrace. "The Met. Acappella" is designed to incorporate the natural scenery of neighbouring areas, enabling residents to breathe fresh air and breathtaking green views in this bustling city. With the excellent and convenient transport network, "The Met. Acappella" also allows residents to indulge in all-round shopping, dining, entertainment and leisure activities, satisfying the needs of pursuing quality lifestyle.

The site at 575–575A Nathan Road, Mongkok has completed the foundation works and is undergoing the construction of the superstructure. The site will be developed into another 19 floor Ginza type commercial complex and is expected to be completed by the end of 2017.

Development works of the site at 13 and 15 Sze Shan Street are still being paused. The Lands Department has issued the revised assessment of land premium and the Group has accepted the offer. The site works are expected to be resumed. On 19 May 2017, the Group has successfully acquired the entire equity interest in the site at Yiu Sha Road, Whitehead, Ma On Shan (Sha Tin Town Lot No. 601). The site will be developed as a residential project with site area of approximately 253,000 square feet and estimated gross floor area of approximately 387,500 square feet. On 7 June 2017, the WOP Group entered into a sale and purchase agreement for the disposal of 50% of the entire interest in a company holding Sze Shan Street project to an independent third party, details of which are set out in the announcement jointly issued by the Company and WOP on 7 June 2017.

As at 31 May 2017, the Group had a development land portfolio as follows:

Location	Approximate Site Area *(square feet)*	Approximate floor area *(square feet)*	Intended Usage	Anticipated Year of Completion
575–575A Nathan Road, Mong Kok	2,100	25,000	Commercial	2017
Hang Kwong Street, Ma On Shan (“**The Met. Bliss**”)	33,000	115,000	Residential	2018
Ma Kam Street, Ma On Shan (“**The Met. Blossom**”)	33,000	200,000	Residential	2018
Tai Po Road – Tai Wai section (“**The Met. Acappella**”)	71,000	148,000	Residential	2019
13 and 15 Sze Shan Street, Yau Tong	41,000	272,000	Residential and Commercial	2020
Yiu Sha Road, Whitehead (Sha Tin Town Lot No. 601)	253,000	388,000	Residential	2020

Property Investment

As at 31 March 2017, the Group’s portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$1,668.8 million (31 March 2016: approximately HK$795.3 million).

During the year under review, the Group received gross rental income of approximately HK$34.1 million (2016: approximately HK$40.8 million), representing a decrease of approximately HK$6.7 million or 16.4% compared with last year. The decrease in gross rental income was primarily due to the disposal of a number of properties during the year ended 31 March 2016, as well as during the year under review.

During the year under review, the Group sold various second-hand residential properties with a total consideration of approximately HK$35.6 million (2016: approximately HK$59.2 million). As at 31 March 2017, the Group held 39 second-hand residential properties of approximately HK$195.5 million (2016: 48 second-hand residential properties of approximately HK$216.1 million) previously acquired from the market. As disclosed in the announced documents of WOP in respect of the spin-off exercise, the Group expected that it will not engage in any business activities that compete with those of WOP, the Group will actively pursue the disposal of second-hand residential properties in the coming financial years.

In November 2015, the Group acquired a number of car parking spaces in Shatin Centre for trading purpose. During the year under review, the remaining stocks were sold with an aggregate gross revenue contribution of approximately HK$85.0 million.

The Group acquired a shop at No. 166, Sai Yeung Choi Street South, Mong Kok, Kowloon and an office premises at 30th floor of United Centre, No. 95 Queensway Road, Hong Kong at a consideration, inclusive of direct costs, of approximately HK$90.8 million and approximately HK$517.3 million, respectively.

Furthermore, the Group entered into a provisional sale and purchase agreement on 20 February 2017 to acquire an office premises and certain car park units located in Kowloon Commerce Centre, No. 51 Kwai Cheong Road, Kwai Chung, New Territories at a consideration of approximately HK$274.5 million, completion of which took place on 25 April 2017.

Management and Sub-licensing of Chinese Wet Markets

As at 31 March 2017, the segment continued to deliver strong performance under current challenging market conditions, the revenue was approximately HK$191.5 million (2016: approximately HK$181.4 million), representing an increase of approximately HK$10.1 million or approximately 5.6% over the corresponding period last year. The growth in revenue was mainly supported by the renewal of license agreements with stall operators and the commencement of new rental agreement following by the completion of renovation of the wet market in Chung On Estate, Sha Tin.

The Group manages a portfolio of approximately 900 Chinese wet market stalls in Hong Kong under “Allmart” brand, with a total gross floor area over 225,000 square feet during the year. In order to stand out from the fierce competition, as well as the higher customer’s expectation, the Group will continue to implement a series of strategic programs which focus on revitalising the mature stores through renovation, store segmentation as well as cost control aspects.

In mainland China, the Group operates 17 Chinese wet markets under the “Huimin” brand in various districts of Shenzhen, the PRC as well as the Guangdong Province, the PRC. It currently includes a portfolio of approximately 1,000 stalls with a total gross floor area over 283,000 square feet. Given that the economy of China is growing steadily, we are optimistic about the outlook of the Chinese wet markets operations in China, meanwhile, the Group is exploring opportunities to expand our operations to other regions of China, which will be a sustainable and strong revenue source to the Group.

Treasury Management

The Group's liquid investment amounted to approximately HK$1,525.4 million at 31 March 2017, an increase of 78% from the balance of approximately HK$859.1 million at 31 March 2016, mainly reflecting the cash arising from funds from operations, acquisition of WYTH and net proceeds from disposal of certain properties and subsidiaries. The liquid investments represented 77% of the debt securities, 20% of listed equity securities and 3% of fund investment. The segment contributed approximately HK$136.9 million (2016: approximately HK$76.1 million) to the Group.

*(1) Loan Facility Granted to China Agri-Products Exchange Limited ("**CAP**")*

On 4 October 2014, the Group entered into a subscription agreement with CAP, pursuant to which the Group had subscribed up to a maximum principal amount of HK$200.0 million two-year 8.5% coupon interest bonds and HK$1,050.0 million five-year 10.0% coupon interest bonds to be issued by CAP (collectively "**CAP Bonds**"). During the year, CAP had redeemed HK$200.0 million two-year 8.5% coupon interest bond. As at 31 March 2017, the fair value and principal amount of the CAP Bonds held by the Group amounted to approximately HK$1,041.0 million and HK$1,050.0 million (2016: approximately HK$503.5 million and HK$530.0 million), respectively. Besides, save as disclosed above, as at 31 March 2017, CAP was indebted to the Group in the principal amount of HK$70.0 million (2016: approximately HK$70.0 million) pursuant to the loan agreement entered into between the Group and CAP on 17 August 2015.

*(2) Loan Facility Granted to Easy One Financial Group Limited ("**EOF**")*

As at 31 March 2017, EOF was indebted to the Group in the principal amount of HK$80.0 million (2016: Nil) pursuant to the loan agreements entered into between the WYTH Group and EOF on 5 October 2016.

Subsequent to the end of the reporting period, the Group entered into a loan agreement with EOF on 12 April 2017, pursuant to which the Group had provided an unsecured three-year revolving loan facility of not exceeding a sum of HK$200.0 million to EOF with an annual interest rate of 6.5% per annum.

The Pharmaceutical and Health Food Products Related Business of WYTH

During the year, WYTH Group recorded a turnover of approximately HK$738.4 million (2016: approximately HK$825.3 million) and loss attributable to equity holders of approximately HK$93.3 million (2016: profit attributable to equity holders of approximately HK$25.4 million). Such a decline in results performance was mainly attributable to, among other things, the loss in fair value of equity investments at fair value through profit or loss (net), the share of losses in associates and the fair value losses on investment properties.

WYTH became a subsidiary of the Group on 29 September 2016, following the WYTH Rights Issue completed on the same date. This step-acquisition led the Company to record a gain on bargain purchase of approximately HK$1,056.2 million (2016: Nil) and loss on re-measurement of pre-existing interest in WYTH to acquisition date fair value amount to approximately HK$550.4 million (2016: Nil). Prior to becoming a subsidiary of the Group, WYTH was an associate of the Group and the Group's share of loss of WYTH Group within the reporting period was approximately HK$8.4 million (2016: share of profit of approximately HK$31.7 million including a gain on bargain purchase of approximately HK$26.3 million).

"Wai Yuen Tong" brand is a leading household name in the health food industry, established over the past 120 years, and well known by the majority of Chinese and Hong Kong customers. Under China Thirteen Five-Year plan, traditional Chinese medicines has been promoted to a national strategic industry status. We anticipate that the sales of our key products will benefit from the general market changes and expansion driven by this policy.

In the past, WYTH has adopted a low-capex production strategy through the use of contract manufacturers. However the tightness in contract manufacture supply in recent years has made our expansion more difficult. To address this issue, WYTH moved to develop in-house production capacity through the establishment of new factories in Yuen Long Industrial Estate and Pingshan in Shenzhen, the PRC respectively. The construction of Yuen Long factory was completed in the beginning of 2017 and has commenced production. The application of Good Manufacturing Practice ("**GMP**") certificate from the State Food and Drug Administration for Pingshan factory is currently underway.

Exposure to Fluctuation in Exchange Rates

There are limited hedging instruments available in Mainland China to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. To date, the Group has not entered into any hedging transactions in an effort to reduce the Group's exposure to foreign currency exchange risks. As at 31 March 2017, the Group held limited amount of foreign currency deposits, while all bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Renminbi and Hong Kong dollar, matches the currency requirements of the Group's operating expenses.

Significant Investments Held

As at 31 March 2017, the Group held available-for-sale investment and financial assets at fair value through profit or loss of approximately HK$1,170.7 million and HK$354.7 million, respectively:

	As at 31 March 2017				For the year ended 31 March 2017			Fair value/carry amount		
Nature of investments	Number of shares held	Amount held	Percentage to share-holding in such stock	Percentage to the Group's net assets	Fair value gain/(loss) of financial assets at fair value through profit or loss	Bond interest income	Dividends received	As at 31 March 2017	As at 31 March 2016	Investment cost
	'000	*HK$'000*	*%*	*%*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Available-for-sale investments										
CAP – 10.0% 5-year Bonds	–	1,040,976	–	16.2	–	71,517	–	1,040,976	307,780	1,041,750
CAP – 8.5% 2-year Bonds	–	–	–	–	–	13,029	–	–	195,671	195,000
Others	–	129,731	–	2.0	–	4,124	–	129,731	11,969	100,167
Sub- total	–	1,170,707	–	18.2	–	88,670	–	1,170,707	515,420	1,336,917
Financial assets at fair value through profit or loss										
A. Listed investment										
Kingston Financial Group Limited ("**Kingston**")	31,104	78,693	0.23	1.2	(27,939)	–	375	78,693	69,254	51,916
Town Health International Medical Group Limited ("**Town Health**")	107,500	133,300	1.43	2.1	(11,575)	–	539	133,300	80,300	83,323
Others	–	87,054	–	1.4	(78,980)	–	1,762	87,054	149,950	110,467
B. Mutual Funds	–	41,225	–	0.6	(9,741)	–	–	41,225	44,135	46,933
C. Others	–	14,424	–	0.2	4,483	–	–	14,424	–	9,941
Sub-total	–	354,696	–	5.5	(123,752)	–	2,676	354,696	343,639	302,480
Total	–	1,525,403	–	23.7	(123,752)	88,670	2,676	1,525,403	859,059	1,639,397

Save as disclosed above, the Group also invested in other mutual funds, the fair value of each of these mutual funds represented less than 1.00% of the net assets of the Group as at 31 March 2017, including Emerging Market Bond Fund, China Growth Fund, Asian Equity Plus Fund, USD Money Fund, Opus Mezzanine Fund 1 LP, PM Classic (PM), Emperor Greater China Opportunities Fund Ltd – 664825/DLT, Success Harvest Fund – Class A Shares, UBS (LUX) Equity – European Opportunity Unconstrained-ACC (LU0975313742 – USD Hedged P-acc) and ICBC-Quantum Advantage Funds.

Employees and remuneration policies

As at 31 March 2017, the Group had 1,156 (2016: 198) employees, of whom approximately 64.6% (2016: 98.0%) were located in Hong Kong and the rest were located in mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as the individual's performances. The Group had a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually or biannually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

B. For the year ended 31 March 2016 *(as extracted from the annual report of the Company for the year ended 31 December 2015 and as such, references to "WYTH" in the below paragraphs shall be read as references to "WYT")*

Liquidity and Financial Resources

As at 31 March 2016, the Group's total assets less current liabilities were approximately HK$6,199.7 million (2015: approximately HK$6,013.1 million) and the current ratio from approximately 3.2 times as at 31 March 2015 to approximately 6.0 times as at 31 March 2016.

As at 31 March 2016, the Group had cash resources and short-term investments of approximately HK$1,631.0 million (2015: approximately HK$1,256.9 million). Aggregate borrowings as at 31 March 2016 amounted to approximately HK$2,208.8 million (2015: approximately HK$2,628.6 million).

The gearing ratio was approximately 20.2% (2015: approximately 37.7%), calculated by reference to the Group's total bank and other borrowings net of cash and cash equivalents and the equity attributable to owners of the parent.

Debt and Pledge of Assets

Aggregate bank borrowings as at 31 March 2016 amounted to approximately HK$2,208.8 million (2015: approximately HK$2,628.6 million). As at 31 March 2016, the Group's land and buildings, investment properties (including assets held for sales), properties under development and properties held for sale, with carrying value of approximately HK$60.1 million, HK$654.0 million, HK$2,910.5 million and Nil (2015: approximately HK$62.0 million, HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million) were pledged to secure the Group's general banking facilities.

Capital Commitment and Contingent Liabilities

The Group's capital commitment as at 31 March 2016 amounted to approximately HK$127.5 million (2015: approximately HK$49.7 million). The Group had no significant contingent liabilities as at the end of the reporting year.

Property Development

Revenue recognised in this business segment during the year amounted to approximately HK$567.5 million (2015: approximately HK$1,210.2 million) which was contributed mainly by the completion and delivery of the residential project, "The Met. Delight" at Camp Street in Cheung Sha Wan and the remaining units of "The Met. Sublime" at Kwai Heung Street in Sai Ying Pun. The decrease in revenue for the reporting year was mainly attributable to fewer delivery of completed projects compared with last year. A general summary and update of the current property development projects of the Group are listed below.

One of the two unsold upper floor units in "726 Nathan Road" was disposed of in February 2016, while the other unsold upper floor unit was successfully leased out. The shop on ground floor continued to generate rental income to the Group.

The site at 575–575A Nathan Road, Mong Kok has completed foundation work, construction of superstructure will soon begin. This site will be developed into another versatile Ginza type commercial complex in the crowded Nathan Road area after the previous successful "726 Nathan Road" project. Targeted completion date of this development is expected to be in late 2017.

The site at Ma Kam Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 599) was acquired in July 2014 through a tender of Hong Kong Government land sale. It is a residential development site with flat number restrictions with a required minimum of 310 units to be built. Foundation works will soon complete and superstructure will immediately follow. Expected completion of this project will be in 2018. The Group owns 60% equity interest in this development and the results and financial position of this site are consolidated into the financial statements of the Group.

Another site in Sha Tin district located at Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598) was also acquired by the Group through a tender of the Hong Kong Government land sale in September 2014. It is also a residential development site with flat number restrictions with minimum of 180 units to be built. Again, foundation works will also complete soon. Construction works of the site is expected to be completed in late 2017. The Group also owns 60% equity interest in this development and the results and financial position of this site are consolidated into the financial statements of the Group.

The Group's third residential land piece in Sha Tin district, the site at Tai Po Road – Tai Wai section (Sha Tin Town Lot No. 587) was also acquired in the same way as the previous two in February 2015. General building plan has been approved, slope and site formation works is progressing smoothly. The site is situated at an area of traditionally prime residential zone neighboring the Sha Tin Heights Road and Lower Shing Mun Road, which is highly favourable for premium residential development. The Group solely owns this development and it is expected the project will be delivered to purchasers in early 2019.

Development works of the site at 13 and 15 Sze Shan Street, Yau Tong was still being paused, pending the negotiation with the Hong Kong Government in respect of the amount of land premium required for redevelopment of the site.

As at 31 May 2016, the Group had a development land portfolio as follows:

Location	**Approximate Site Area** *(sq. ft.)*	**Intended Usage**	**Anticipated Year of Completion**
575–575A Nathan Road, Mong Kok	2,100	Commercial	2017
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,000	Residential	2017
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,000	Residential	2018
Tai Po Road – Tai Wai section in Sha Tin (Sha Tin Town Lot No. 587)	71,000	Residential	2019
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential and Commercial	2020

Having a sufficient development land reserve is crucial to the sustainable operation of the Group in the long run, the Group has never ceased its proactive participation in the search and tender for land reserve. The Group has also explored other ways of collaboration with external parties for development opportunities. On the other hand, the management of the Group has employed various cost saving exercises to control the soaring cost of construction which it considers one of the most instrumental risk factors in its property development business, alongside with general economic sentiment and land supply. The Group will also dedicate further resources in its brand building for its property development business and residential and commercial projects.

Property Investment

As at 31 March 2016, the Group's portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$795.3 million (31 March 2015: approximately HK$1,569.6 million).

During the year, the Group received gross rental income of approximately HK$40.8 million (2015: approximately HK$34.0 million), representing an increase of approximately HK$6.8 million over last year. The increase in gross rental income was primarily attributable to the additional rental income generated from the shop unit at Percival Street, Causeway Bay which was acquired by the Group in February 2015. Tenancy agreement was entered into thereon with a gross monthly rental of HK$0.9 million.

Besides, during the year, the Group had disposed of a number of properties at an aggregate consideration of approximately HK$1,175 million. Impact on rental income of the Group for the year by these investment properties is considered moderate. The major disposals during the year are listed in the following paragraphs.

In August 2015, the Group entered into a provisional sale and purchase agreement for the disposal of a subsidiary which held a shop unit at Mong Kok Road, Mong Kok at a consideration of HK$158 million, details of which had been set out in the announcement of the Company dated 12 August 2015. The transaction was completed on 11 November 2015.

In November 2015, the Group entered into a sale and purchase agreement with WYTH for the disposal of the Group's two indirect wholly-owned subsidiaries which held two shops at Tsuen Wan and Sham Shui Po for an aggregate consideration of HK$70 million. The transaction was completed on 23 December 2015.

Further, in December 2015 the Group entered into an agreement for the disposal of an indirect wholly-owned subsidiary of the Group which indirectly held Riviera Plaza, the shopping mall in Tsuen Wan, at a consideration of HK$823 million, details of which were set out in the announcement of the Company dated 1 December 2015. The transaction was completed on 15 February 2016.

This property was acquired by the Group in July 2013 with an intention of holding as long-term investment property which was expected to strengthen the rental income stream of the Group. Since then the Group had devoted various effort and resources in designing the layout and marketing plan for the shopping mall. The Group intended to revamp the mall into a trendy neighborhood mall providing great variety of shopping choices and exciting experiences, hoping it would be a new iconic landmark in the district. To provide for the planned renovation works, the mall had been vacated since 2014 and during the current financial year, the Group was in the process of finalising the general building plan and applying for alteration and enhancement approval. Renovation works were expected to be carried out after then. However, the management of the Group is of the view that the disposal serves to realise the discounted long-term potential of the property at a time of poor general retail market sentiment and pessimistic economic expectations of the near future.

Furthermore, in November 2015, the Group had also acquired a number of car parking spaces in Shatin Centre at a consideration of HK$96.8 million with a view for trading gain. Some of which had been resold before the year end with an aggregate gross revenue contribution of HK$53.3 million. The remaining car parking spaces will be scheduled for resale and as well as for rental income.

As at 31 March 2016, within the Group's portfolio of investment properties, the Group held a lot of 48 secondhand residential properties of approximately HK$216.1 million (2015: 62 second-hand residential properties of approximately HK$305.7 million) previously acquired from the market, which was scheduled to be kept and held by the Remaining Group after the spin-off of WOP. As disclosed in the announced documents of WOP in respect of the spin-off exercise, the Remaining Group expected that it will not engage in any business activities that compete with those of WOP, the Remaining Group will actively pursue the disposal of such portfolio of properties in the coming financial year. The Group had disposed of two out of the above mentioned 48 properties as of 8 June 2016, one of them was delivered in April 2016, while the other will be delivered in July 2016. The management of the Group is of the view that the various disposals would benefit the Group by indirectly realising these long-term investments and strengthen the liquidity and overall financial position.

Spin-off of the property development and investment division

For the past years, although the Group also engaged in the business of management of Chinese wet markets and provision of finance, the major business of the Group had been property development and investment in Hong Kong, focusing on developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation. The major driving force of revenue increment of the Group had proven to be the sale of properties, and the recurring rental income from investment properties formed the basic support for the Group's general operation.

The sale of properties and related businesses of the Group is dependent on the economic conditions and particularly property market performance in Hong Kong. Acquiring the required development land reserve is of paramount importance for the Group to sustain its development, however in recent years, there emerged a number of small to medium sized developers, coupled with active participations by the developers from Mainland China, the competition for securing development land pieces has been fierce. Further, the soaring construction cost is also one of the commonly faced problems of local developers in Hong Kong.

Nevertheless, the Group has demonstrated its competitive edges in sales of properties and related businesses in recent years through its strong financial performance. The Group has successfully established "The Met." brand in boutique residential housing market, and also has a broad range of properties for development and investment. The Group has also had an established and defined model of property investment and development strategy which is responsive to market changes. Further, the management team of the property business is experienced, stable and understands market well.

Given the above background and considering that, among other things, the Spin-off Business has grown to a sufficient size to warrant a separate listing, and that the new listed entity will have its own separate management structure focusing on the Spin-off Business whilst management of the Remaining Group will be able to focus on the other business engagements, the Board had decided to spin off the Spin-off Business under a separately listed company, WOP, and submitted application to the Stock Exchange on 28 December 2015. The Board believed that such arrangement will enable investors to better appraise the strategies, exposure, risks and returns of the separated groups. Investors will have the opportunity to invest in any or both the business models of the separated groups. At the same time, it unlocks the value of the individual groups and allow their market values to be better reflected and the separate businesses and financing platform are expected to enable the entities to raise funds more effectively at their own without reliance on each other. The clear delineation of business models also allow better and functional diversification of businesses. The Company indirectly holds 75% equity interest in WOP upon the listing of WOP and continue to benefit from the subsidiary's property related business model. The spin-off exercise was completed on 12 April 2016, and WOP became a separately listed company in the Stock Exchange. Details of the whole spin-off exercise were disclosed in the announcements of the Company dated 28 December 2015, 4 March 2016, 24 March 2016, 30 March 2016, 11 April 2016 and 12 April 2016, respectively.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2016, revenue recorded for this segment amounted to approximately HK$181.4 million (2015: approximately HK$173.6 million), representing an increase of approximately HK$7.8 million over last year. The improvement was mainly attributable to the increased licensing income arising from the renewal of license agreements with stall operators in a number of Chinese wet markets.

During the year, the Group managed substantially a portfolio of approximately 920 stalls in 12 “Allmart” brand of Chinese wet markets in Hong Kong with a total gross floor area of over 262,000 square feet. The Group secured management licence of three wet markets during the year, namely Lei Tung Estate in Ap Lei Chau, Shui Chuen O Estate in Sha Tin and Lee On Estate in Ma On Shan. The wet market in Lei Tung Estate has already completed renovation and is under operation. The wet market in Shui Chuen O Estate is currently under renovation and will officially commence operation in mid 2016. The wet market at Lee On Estate was an operating market acquired from the landlord. On 29 February 2016, the licence for the wet market at Fu Tung Estate in Tung Chung had expired and returned to the landlord.

The Group has continued its enhancement works in its managed Chinese wet markets as well as upgrading its management and improvement of the general environment. Besides, as operating cost continues to increase, the Group has devised various cost saving and efficiency enhancement exercises with a view to control cost and maximise profit.

In Mainland China, the Group continued to manage a portfolio of approximately 1,000 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under “Huimin” brand in various districts of Shenzhen, Guangdong Province of Mainland China. The operation in Mainland China has generated a stable income for the Group. As management and sub-licensing of Chinese wet markets will remain a major segment of business in the Remaining Group, the Remaining Group is committed to expand further in both in Hong Kong and Mainland China and is currently actively looking for other opportunities in this segment.

Provision of finance

The Group had designated provision of finance as an additional business line of the Group in the last financial year. This line of business had provided the Group the opportunities to better utilise its excess financial resources and earn a relatively higher return compared with deposits and securities investments. It also reflects the Group’s strategy for business diversification.

During the year, the Group had further expanded this line of business and extended further credit facilities to individuals and other corporations. Revenue generated from this segment of business amounted to approximately HK$76.1 million (2015: approximately HK$82.3 million). Given the higher borrowing costs in neighboring areas and the expected and continuous tightening mortgage lending policy in Hong Kong, the Group expects this segment of business will have further room for expansion in the coming year. Provision of finance will remain as a segment of business in the Remaining Group.

Investment in Pharmaceutical and Health Products Related Business

As at 31 March 2016, the Group held 22.08% interest in WYTH, a company listed on the Main Board of the Stock Exchange, which represents an increase of approximately 1.58% from 31 March 2015, following the rights issue of WYTH shares by WYTH completed on 19 May 2015. The Group had full acceptance of its provisional entitlement of shares and applied for excess shares in the subject rights issue.

For the year ended 31 March 2016, WYTH recorded a turnover of approximately HK$825.3 million (2015: approximately HK$831.1 million) and profit attributable to equity holders of approximately HK$25.4 million (2015: approximately HK$121.0 million). The significant decrease in its results was mainly attributable to, among other things, the fair value losses on investment properties, decrease in gain from changes in fair value of equity investments of fair value through profit or loss, despite the increase in share of profits and losses of associates. The Group's share of profit of WYTH for the year ended 31 March 2016 amounted to approximately HK$31.7 million (2015: approximately HK$135.7 million), included a gain on bargain purchase from the acquisition of additional interest in WYTH amounted to approximately HK$26.3 million (2015: approximately HK$112.1 million).

A number of economic and political factors continued to shadow the general retail market in Hong Kong, coupled with an apparent shift of visitors' spending focus and amount by Mainland China customers in Hong Kong recently, it had exerted moderate hit on the performance of WYTH. For the sake of prudence, the Group had made a provision for impairment of its investment in WYTH amounted to approximately HK$19.8 million (2015: Nil). The Group is of the opinion that the effect would be temporary only and given the solid foundation and recognised quality and brand value of WYTH both locally and in the Greater China region, the Group is of the view that the business of WYTH should grow steadily thereafter, especially in the local market in China. The Group regards its investment in WYTH as long term and is confident that it will enhance the Group's shareholders' value in the long run.

Foreign Exchange

As at 31 March 2016, the Group held limited amount of foreign currency deposits, while all bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, also being mostly denominated in Hong Kong dollar, matches the currency requirements of the Group's operating expenses. Therefore, the Group does not engage in any hedging activities.

Employees and Remuneration Policies

As at 31 March 2016, the Group had 198 (2015: 182) employees, of whom approximately 98.0% (2015: 98.4%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as the individual's performances. The Group had a defined scheme of remuneration and promotion review to accommodate the above purpose and review is normally carried out annually or biannually. Other forms of benefits such as medical and retirement benefits and structured training programs are also provided.

C. **For the Year ended 2015** *(as extracted from the annual report of the Company for the year ended 31 December 2015 and as such, references to "PNG" or "WYTH" in the below paragraphs shall be read as references to "Easy One" and "WYT", respectively)*

Liquidity and Financial Resources

As at 31 March 2015, the Group's total assets less current liabilities were approximately HK$6,013.1 million (2014: approximately HK$4,738.8 million) and the current ratio increased from approximately 2.8 times as at 31 March 2014 to approximately 3.2 times as at 31 March 2015.

As at 31 March 2015, the Group had cash resources and short-term investments of approximately HK$1,256.9 million (2014: approximately HK$815.9 million). Aggregate borrowings as at 31 March 2015 amounted to approximately HK$2,628.6 million (2014: approximately HK$1,266.9 million).

The gearing ratio was approximately 37.7% (2014: approximately 14.2%), calculated by reference to the Group's total bank and other borrowings net of cash and cash equivalents and the equity attributable to owners of the parent.

Debt and Pledge of Assets

As at 31 March 2015, the Group's land and buildings, investment properties, properties under development and properties held for sale, with carrying value of approximately HK$62.0 million, approximately HK$1,516.7 million, HK$2,655.2 million and HK$359.1 million (2014: approximately HK$64.0 million, approximately HK$1,096.2 million, HK$1,267.3 million and HK$314.0 million) were pledged to secure the Group's general banking facilities.

Capital Commitment and Contingent Liabilities

The Group's capital commitment as at 31 March 2015 amounted to approximately HK$49.7 million (2014: approximately HK$221.1 million). The Group had no significant contingent liabilities as at the end of the reporting period.

Property Development

Revenue recognised in this business segment during the year under review amounted to approximately HK$1,210.2 million (2014: approximately HK$899.0 million) which was contributed partly by the completion of sale of certain remaining floor units at "726 Nathan Road" and the delivery of the residential project "The Met. Sublime". The Group also completed sale of a final unit, a shop at "The Met. Focus" during the year.

The "726 Nathan Road" Ginza-type commercial complex was pre-sold in January 2013 at an aggregate consideration of approximately HK$1,122.1 million. Construction works was completed in February 2014 and 7 out of 18 sold floor units had been delivered to the purchasers in March 2014. A further 9 units were delivered during the year under review which had contributed a revenue of approximately HK$507.5 million to the Group for the year ended 31 March 2015. Besides, the ground floor shops had been leased out for rental income during the year.

Construction of the residential project "The Met. Sublime" at Kwai Heung Street, Sai Ying Pun had been completed and the sold units had been delivered to the purchasers starting from December 2014. The delivered units contributed a revenue of approximately HK$656.3 million to the Group for the year ended 31 March 2015. There were 5 units remained to be delivered and 1 units remained to be sold as at 31 March 2015.

The superstructure and major internal finishing works of another residential project "The Met. Delight" at Camp Street, Cheung Sha Wan had been completed in March 2015. Subsequent delivery of the sold units in batches had started from April 2015. Revenue and profit from this project will be recognised in the year ended 31 March 2016.

The site at 575–575A Nathan Road, Mong Kok had obtained approval of the general building plan and foundation works will soon commence. Situated in the prime area in Mong Kok, the site is designated to be developed into another Ginza-type commercial complex. Completion of this development is expected to be in 2017.

Development works of the site at 13 and 15 Sze Shan Street, Yau Tong was still being paused, as the negotiation with the Hong Kong Government in respect of the amount of land premium required for redevelopment of the site was pending.

In July 2014, through a successful tender, the Group acquired a land site situated at Ma Kam Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 599) at a consideration of approximately HK$703.8 million. The acquisition was made under a business arrangement of which the Group owned 60% equity interest. The site is a limited residential land plot with an area of approximately 33,000 square feet and a maximum gross floor area of approximately 200,000 square feet. It has a development requirement of minimum 310 units to be built. Adjacent to the Ma On Shan Station of the Mass Transit Railway and the nearby Sunshine City Plaza, its convenient location is highly favourable for residential development. Foundation works at the site has already started. Expected completion of the project will be in 2018, the results and financial position will be consolidated into the financial statements of the Group.

In September 2014, the Group acquired a nearby piece of land at Hang Kwong Street, Ma On Shan in Sha Tin (Sha Tin Town Lot No. 598) through another successful tender at a consideration of HK$428.0 million. The land was also acquired under a business arrangement of which the Group owned 60% equity interest. It is also a limited residential land plot with an area of approximately 33,000 square feet and a maximum gross floor area of approximately 115,000 square feet. It has a development requirement of minimum 180 units to be built. The site area, geographic location, surrounding environment and ancillary facilities are very similar to the site in Ma Kam Street, Ma On Shan and is therefore also highly favourable for residential development. Foundation works at the site has already started. Expected completion of the project will be in 2017, and the results and financial position will be consolidated into the financial statements of the Group.

In February 2015, the Group through a successful tender, acquired a further land site at Tai Po Road – Tai Wai section in Sha Tin (Sha Tin Town Lot No. 587) at a consideration of HK$773.0 million. The site has an area of approximately 71,000 square feet and a maximum gross floor area of approximately 148,000 square feet. Situated at an area of traditionally prime residential zone with Sha Tin Heights Road and Lower Shing Mun Road nearby, the tranquil surroundings and excellent geographic location make the land plot highly suitable for premium residential development. The site will be developed solely by the Group and targeted to complete in 2019.

As at 31 May 2015, the Group had a development land portfolio as follows:

Location	**Approximate Site Area** *(sq. ft.)*	**Intended Usage**	**Anticipated Year of Completion**
140–146 Camp Street, Cheung Sha Wan	4,600	Residential/Shops	2015
575–575A Nathan Road, Mong kok	2,100	Commercial	2017

Location	Approximate Site Area *(sq. ft.)*	Intended Usage	Anticipated Year of Completion
Hang Kwong Street, Ma On Shan (Sha Tin Town Lot No. 598)	33,000	Residential	2017
Ma Kam Street, Ma On Shan (Sha Tin Town Lot No. 599)	33,000	Residential	2018
Tai Po Road – Tai Wai (Sha Tin Town Lot No. 587)	71,000	Residential	2019
13 and 15 Sze Shan Street, Yau Tong	41,000	Residential/ Shopping centre	2020

In view of the skyrocketing construction cost and consumer demand for quality housing and properties, the Group will maintain its close scrutiny on the costing and progress of existing development projects, and ensure their on-time completion in an efficient and quality manner. Besides, as an adequate and sustainable development land reserve is paramount to the long term property development business of the Group, the Group will proactively solicit suitable residential and commercial sites for redevelopment opportunities, through private purchases as well as public tenders of land by the Hong Kong Government.

Property Investment

During the year, the Group received gross rental income of approximately HK$33.6 million (2014: approximately HK$43.7 million), representing a decrease of approximately HK$10.1 million over last year. The decrease in gross rental income was primarily attributable to the disposal of the remaining 16 commercial units in Grandeur Terrace in last year and an investment property located at Mong Kok which the transaction was completed on 8 April 2014 during the year under review.

As at 31 March 2015, the portfolio of investment properties comprised of commercial, industrial and residential units located in Hong Kong with a total carrying value of approximately HK$1,569.6 million (2014: approximately HK$1,140.1 million).

On 16 February 2015, a shop unit at Percival Street, Causeway Bay was acquired by the Group at a consideration of HK$210.0 million. Situated in an area of crowded traditional shopping district mostly visited by locals and tourists, the management of the Group is of the view that this shop should have a promising upside potential and expect it will provide a satisfactory long term return to the Group.

The shopping mall, Riviera Plaza, Tsuen Wan is currently in the process of finalising the general building plan and applying for alteration and enhancement approval. Renovation works will be carried out after then and expected completion will be in first quarter of 2017. It is intended to be refurbished into a modern and trendy neighbourhood mall providing exciting shopping experience and variety of shopping choices. After completion, it will be held by the Group as a strategic long term investment property and should strengthen the rental income stream and enhance rental yield of the Group.

To maintain a balanced portfolio of business investment, the Group has been actively exploring further potential properties to be invested, and will continue such act. At the same time, regular review of the investment property portfolio is performed to ensure overall rental return is in line with the latest market trend.

Management and Sub-licensing of Chinese Wet Markets

For the year ended 31 March 2015, revenue recorded for this segment amounted to approximately HK$173.6 million (2014: approximately HK$193.5 million), representing a decrease of approximately HK$19.9 million over the last year. The decrease was mainly attributable to the expiration of four licences with the landlord for the Chinese wet markets at Tin Shui Estate and Tin Shing Court in Tin Shui Wai, Belvedere Garden in Tsuen Wan and Tsui Lam Estate in Tseung Kwan O. Two new licences were solicited the Group during the year, namely the Chinese wet markets at Lei Tung Estate in Ap Lei Chau and Shui Chuen O Estate in Sha Tin.

During the year under review, the Group managed a portfolio of approximately 1,043 stalls in 14 “Allmart” brand of Chinese wet markets in Hong Kong with a total gross floor area of over 340,000 square feet. Besides, in Mainland China, the Group managed a portfolio of approximately 1,000 stalls in 17 Chinese wet markets with a total gross floor area of over 283,000 square feet under “Huimin” brand in various districts of Shenzhen, Guangdong Province. Chinese wet markets and supermarkets are different types of shopping venues and serve different needs and purposes. They also provides very different shopping experience. Facing rapid growth in number of supermarkets and grocery chain stores selling similar or comparable products to traditional Chinese wet markets, the Group has continued its enhancement works in its managed Chinese wet markets as well as upgrading the management and controls. The Group is of the view that continued improvement of the general environment and management of the wet markets will provide a more pleasant and convenient shopping experience and should attract more shoppers. Further, the Group will actively pursue business opportunities in this segment both in Hong Kong and Mainland China. The Group is of the view that management and operation of the Chinese wet markets will continue to contribute stable stream of income to the Group.

Provision of Finance

Provision of finance is not a new business engagement of the Group. In recent years, the Group had extended certain credit facilities to other corporations and individuals with a view to earn a higher yield on its financial resources. For the year ended 31 March 2015, revenue and operating profit from this segment amounted to approximately HK$82.3 million (2014: approximately HK$89.3 million, as restated) and approximately HK$152.0 million (2014: approximately HK$125.4 million, as restated) respectively.

Given the adequate liquidity and solid financial position, during the year the Group has decided to commit more resources to the provision of finance business and designated it an additional business line of the Group. The Group expects that the differential borrowing costs with neighboring areas and the tightening of mortgage lending policy in Hong Kong should create opportunities and room for business to the Group in this segment. Apart from better utilisation of financial recourses, developing this segment of business should also serve as a diversification as well as creating synergy with the Group's existing segments of property related businesses. The Group believes that this business segment will grow steadily and bring long-term benefits to the Group.

Investment in Pharmaceutical and Health Products Related Business

As at 31 March 2015, the Group held 20.5% equity interest in WYTH, a company listed on the Main Board of the Stock Exchange.

Following a series of on-market acquisition of 135.5 million shares of WYTH by the Group at an aggregate purchase price of approximately HK$35.4 million conducted between 19 June 2014 and 18 July 2014, and the subsequent placing of new shares by WYTH completed on 28 August 2014 and 4 December 2014, respectively, the Group's equity interest in WYTH had become 20.5%.

For the year ended 31 March 2015, WYTH achieved a turnover of approximately HK$831.1 million (2014: approximately HK$865.3 million) and profit attributable to equity holders of approximately HK$121.0 million (2014: approximately HK$163.4 million). The decline in its results was mainly contributed by the decrease in gross profit resulting from the decrease in its turnover and the loss on deemed partial disposal of equity interests in an associate, despite the gain from change in fair value of equity investments at fair value through profit or loss. The Group's share of profit of WYTH for the year ended 31 March 2015 amounted to approximately HK$135.7 million (2014: approximately HK$43.0 million), included a gain on bargain purchase of approximately HK$112.1 million (2014: Nil) arising from on market acquisition of shares of WYTH.

During the second half of the year under review, there was a slowdown of visitor numbers of, and spendings by, primarily Mainland China customers, owing to a number of political and economic factors. It would be reasonable to expect it will cause certain impact on the business of WYTH. Nevertheless, the awareness of health and the demand for quality traditional Chinese medicines from both local and Mainland China customers has not been diminishing, the Group is therefore optimistic about the business of WYTH and expect its investment in WYTH will provide a long term value to the shareholders.

Investment in and Loan Facilities Granted to PNG

Easy One, formerly known as and to be referred as PNG for the purpose of identification in Appendix I), a company listed on the Main Board of the Stock Exchange, is principally engaged in property development in Mainland China and the retailing of fresh pork meat and related produce in Hong Kong, in which the Group held 14.2% equity interest prior to the special interim dividend by way of distribution in specie of the PNG shares held by the Group. The PNG Shares were distributed in the proportion of three (3) PNG Shares for every 125 shares of the Company held (the "**Distribution**"). The total amount of the above Distribution was approximately HK$32.6 million. After the Distribution and a series of sales of PNG Shares on the open market, the Group no longer held any equity interest in PNG. Details of the Distribution was included in the circular of the Company issued on 10 December 2014.

Prior to the above-mentioned distribution of PNG Shares, there had been a significant decline in fair value of the PNG Shares. The Directors consider that the decline was significant and prolonged, impairment loss of approximately HK$74.2 million (2014: approximately HK$84.8 million) had been recognised in the profit and loss of the Group. On the other hand, PNG had fully repaid all the outstanding loans plus associated interest to the Group during the year. As at 31 March 2015, PNG had no indebtedness (2014: principal amount of approximately HK$107.6 million) to the Group.

Investment in Bonds of and Loan Facility Granted to China Agri-Products Exchange Limited ("CAP")

The Group's original 0.04% equity interest in CAP was diluted after a placement of new shares by CAP completed on 3 September 2014 and 6 November 2014. As at 31 March 2015, the Group held 0.03% equity interest in CAP.

On 4 October 2014, the Group entered into a subscription agreement with CAP, pursuant to which the Group will subscribe up to a maximum principal amount of HK$200.0 million two-year 8.5% coupon interest bonds and HK$330.0 million five-year 10.0% coupon interest bonds to be issued by CAP (collectively "**CAP Bonds**"), in consideration of receiving a subscription fee of 2.5% of the aggregate principal amount of the CAP Bonds actually subscribed by the Group and repaying the then outstanding loans indebted to the Group by CAP, details of which were set out in the Company's announcement and circular dated 4 October 2014 and 24 October 2014 respectively. Such transaction was approved by the shareholders of the Group at the special general meeting held on 10 November 2014. The fair value of CAP Bonds held by the Group amounted to approximately HK$465.7 million as at 31 March 2015.

As at 31 March 2015, CAP was indebted to the Group in the principal amount of HK$50.0 million (2014: 880.0 million).

Foreign Exchange

The management of the Group is of the opinion that the Group has no material foreign exchange exposure. All bank borrowings are denominated in Hong Kong dollars. The revenue of the Group, being mostly denominated in Hong Kong dollars, matches the currency requirements of the Group's operating expenses. The Group therefore does not engage in any hedging activities.

Employees and Remuneration Policies

As at 31 March 2015, the Group had 182 (2014: 203) employees, of whom approximately 98.4% (2014: 96.1%) were located in Hong Kong and the rest were located in Mainland China. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's performance as well as the individual's performance. Other benefits such as medical and retirement benefits and structured training programs are also provided.

Set out below is the unaudited financial information of the Target and its then subsidiary which comprises the unaudited consolidated/company statements of financial position of the Target and its then subsidiary as at 31 March 2015, 2016 and 2017 and 30 April 2017, and the unaudited consolidated/company statements of profit or loss and other comprehensive income, unaudited consolidated/company statements of cash flows and unaudited consolidated/company statements of changes in equity for the years ended 31 March 2015, 2016 and 2017 and for the one month period ended 30 April 2016 and 2017 and explanatory notes.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET AND ITS THEN SUBSIDIARY

Set out below are the unaudited consolidated/company statements of financial position of the Target and its then subsidiary, Excellence Star Limited, as at 31 March 2015, 2016 and 2017 and 30 April 2017, and the unaudited consolidated/company statements of profit or loss and other comprehensive income, the unaudited consolidated/company statements of changes in equity and the unaudited consolidated/company statements of cash flows of the Target and its then subsidiary for each of the years ended 31 March 2015, 2016 and 2017 and for the one month period ended 30 April 2016 and 2017 and explanatory notes (the "**Unaudited Financial Information**").

The Unaudited Financial Information has been prepared in accordance with rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on Stock Exchange and the bases of presentation and preparation as set out in Notes 2 and 3, respectively, to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the Disposal. The Company's reporting accountants, Ernst & Young, were engaged to review the financial information of the Target and its then subsidiary as set out on pages II-2 to II-6 in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) *Engagements to Review Historical Financial Statements* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants.

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. Based on the review, nothing has come to the reporting accountants' attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 2 and 3, respectively, to the Unaudited Financial Information.

UNAUDITED CONSOLIDATED/COMPANY STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 March			One month period ended 30 April	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Administrative expenses	(8)	(4)	(6)	–	–
LOSS BEFORE TAX	(8)	(4)	(6)	–	–
Income tax	–	–	–	–	–
LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(8)	(4)	(6)	–	–

UNAUDITED CONSOLIDATED/COMPANY STATEMENTS OF FINANCIAL POSITION

	31 March			30 April
	2015	**2016**	**2017**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
CURRENT ASSETS				
Prepayments and deposits	–	6	864,436	889,436
Due from the Remaining Group	5,631	–	–	–
Cash and cash equivalents	55	–	–	–
Total current assets	5,686	6	864,436	889,436
CURRENT LIABILITIES				
Due to the Remaining Group	5,633	56	864,492	889,492
Total current liabilities	5,633	56	864,492	889,492
NET CURRENT ASSETS/(LIABILITIES) and NET ASSETS/(LIABILITIES)	53	(50)	(56)	(56)
EQUITY/(DEFICIENCY IN ASSETS)				
Issued capital	–	–	–	–
Retained earnings	53	49	43	43
Capital reserve	–	(99)	(99)	(99)
Total equity/(deficiency in assets)	53	(50)	(56)	(56)

UNAUDITED CONSOLIDATED/COMPANY STATEMENTS OF CHANGES IN EQUITY

	Issued capital	Retained earnings	Capital reserve	Total equity/ (deficiency in assets)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 1 April 2014	–	61	–	61
Loss and total comprehensive loss for the year	–	(8)	–	(8)
At 31 March 2015 and 1 April 2015	–	53	–	53
Loss and total comprehensive loss for the year	–	(4)	–	(4)
Deemed distribution to the Remaining Group	–	–	(99)	(99)
At 31 March 2016 and 1 April 2016	–	49	(99)	(50)
Loss and total comprehensive loss for the year	–	(6)	–	(6)
At 31 March 2017 and 1 April 2017	–	43	(99)	(56)
Loss and total comprehensive loss for the period	–	–	–	–
At 30 April 2017	–	43	(99)	(56)
At 1 April 2016	–	49	(99)	(50)
Loss and total comprehensive loss for the period	–	–	–	–
At 30 April 2016	–	49	(99)	(50)

UNAUDITED CONSOLIDATED/COMPANY STATEMENTS OF CASH FLOWS

	Year ended 31 March			One month period ended 30 April	
	2015	**2016**	**2017**	**2016**	**2017**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax	(8)	(4)	(6)	–	–
Changes in working capital					
Increase in prepayments and deposits	–	(6)	(864,430)	–	(25,000)
Increase in amounts due to the Remaining Group	5	10	6	–	–
Net cash flows used in operating activities	(3)	–	(864,430)	–	(25,000)
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase/(decrease) in amounts due to the Remaining Group	–	(55)	864,430	–	25,000
Net cash flows from/(used in) financing activities	–	(55)	864,430	–	25,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3)	(55)	–	–	–
Cash and cash equivalents at beginning of year/period	58	55	–	–	–
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	55	–	–	–	–

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. GENERAL

Ease Mind Investments Limited (the "**Target**") is a limited liability company incorporated in the British Virgin Islands and is principally engaged in investment holding. The Target and its then subsidiary are principally engaged in property investment in Hong Kong.

On 31 March 2017, the Target entered into a sale and purchase agreement with certain independent third parties for the acquisition of the entire 100% equity interest in Loyal Pioneer Limited (the "**Project Company**") for an aggregate consideration of HK$1,469,895,000. The consideration was fully settled in cash and the acquisition was completed on 19 May 2017. The Project Company is principally engaged in property development and holding a parcel of land in Hong Kong as at the date of completion. Upon completion of the acquisition, the Project Company became a wholly-owned subsidiary of the Target.

On 8 September 2017, More Action Investments Limited ("**More Action**"), an indirectly non-wholly-owned subsidiary of Wang On Group Limited ("**WOGL**", together with its subsidiaries other than the Target Group collectively referred as the "**Remaining Group**") and the immediate holding company of the Target, entered into a disposal agreement (the "**Disposal Agreement**") for the disposal of 60% of the issued capital of the Target and 60% of the shareholder's loan owed to the Remaining Group and repayable by the Target to Clear Idea International Limited ("**Clear Idea**") (the "**Disposal**").

Upon completion of the Disposal, the Target will be held as to 60% by Clear Idea and 40% by More Action.

2. BASIS OF PRESENTATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of the Target and its then subsidiary for the years ended 31 March 2015, 2016 and 2017 and the one month period ended 30 April 2016 and 2017 (the "**Unaudited Financial Information**") has been prepared under the going concern concept because (i) Wang On Properties Limited ("**WOPL**"), an intermediate holding company of the Target, has agreed to provide continual financial support and adequate funds for the Target and its then subsidiary to meet its liabilities as and when they fall due and not to request repayment of the amounts due to the Remaining Group by the Target and its then subsidiary until such time as the Target and its then subsidiary is in a position to repay such amounts without impairing its liability position; and (ii) in accordance with the Disposal Agreement, both WOPL and Clear Idea have also agreed to provide financial support in the form of shareholders' loans to the Target in proportion to their shareholding upon completion of the Disposal.

3. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The Unaudited Financial Information has been prepared in accordance with rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by WOGL in connection with the Disposal.

The Unaudited Financial Information for the years ended 31 March 2015 and 2016 included the financial information of the Target and its then subsidiary, Excellence Star Limited ("**Excellence Star**"). On 30 June 2015, the Target transferred its 100% equity interest in Excellence Star to Check Pass Investments Limited, a fellow subsidiary of the Target, accordingly, the Unaudited Financial Information for the year ended 31 March 2017 and the one month period ended 30 April 2016 and 2017 included the financial information of the Target only.

The amounts included in the Unaudited Financial Information have been recognised and measured in accordance with the relevant accounting policies of WOGL, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information has been prepared under the historical cost convention and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 *Interim Financial Reporting* issued by the HKICPA.

A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The following is an illustrative unaudited pro forma consolidated financial information (the "**Unaudited Pro Forma Financial Information**") of the remaining group of Wang On Group Limited (the "**Company**") and its subsidiaries (hereafter collectively referred to as the "**Group**"), immediately after the proposed disposal of 60% of the issued capital of Ease Mind Investments Limited (the "**Target**") and 60% of the shareholders loan owned to the Remaining Group and repayable by the Target to Clear Idea International Limited (the "**Purchaser**"). The Target and its subsidiary, Loyal Pioneer Limited (the "**Project Company**") are hereafter collectively referred to as the "**Disposal Group**" and the remaining group of the Group after the completion of the proposed disposal of the Disposal Group are hereafter referred to as the "**Remaining Group**". The Unaudited Pro Forma Financial Information comprises the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 31 March 2017, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 March 2017, which have been prepared by the directors of the Company (the "**Directors**") in accordance with rules 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of illustrating the effect of the proposed disposal of 60% of the issued capital of the Target (the "**Disposal**").

The preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group is based on (i) the audited consolidated statement of financial position of the Group as at 31 March 2017, which has been extracted from the published annual report of the Group for the year ended 31 March 2017, and (ii) the unaudited statement of financial position of the Target as at 30 April 2017, which has been extracted from the unaudited financial information of the Target as set out in Appendix II to this circular; and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 31 March 2017.

The preparation of the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group is based on (i) the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2017, which have been extracted from the published annual report of the Group for the year ended 31 March 2017; and (ii) the unaudited statement of profit or loss and other comprehensive income and the unaudited statement of cash flows of the Target for the year ended 31 March 2017, which have been extracted from the unaudited financial information of the Target as set out in Appendix II to this circular; and adjusted in accordance with the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 April 2016.

A narrative description of the pro forma adjustments of the Disposal that are directly attributable to the transactions and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates, uncertainties, currently available information and are prepared for illustrative purpose only. Because of its hypothetical nature, it may not purport to describe the results of operations, financial positions or cash flows of the Remaining Group had the Disposal been completed as at the respective dates to which it is made up to or at any future dates. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Remaining Group's future results of operations, financial positions or cash flows. The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group as set out in Appendix I to this circular, the published annual report of the Company for the year ended 31 March 2017, the financial information of the Target as set out in Appendix II to this circular, the Company's announcement dated 11 September 2017 and other financial information included elsewhere in this circular. The Unaudited Pro Forma Financial Information does not take into account any trading or other transactions subsequent to the dates of the respective financial statements of the companies comprising the Remaining Group.

Unaudited Pro Forma Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Remaining Group

	The Group for the year ended 31 March 2017	Pro forma adjustments					Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 8*	
REVENUE	869,357			12,480			881,837
Cost of sales	(539,124)						(539,124)
Gross profit	330,233			12,480			342,713
Other income and gains, net	1,119,438		881,174				2,000,612
Selling and distribution expenses	(181,055)						(181,055)
Administrative expenses	(260,923)	6				(34,512)	(295,429)
Other expenses	(568,757)						(568,757)
Finance costs	(30,357)						(30,357)
Fair value losses on financial assets at fair value through profit or loss, net	(123,752)						(123,752)
Fair value gains on investment properties, net	50,118						50,118
Reversal of write-down of properties under development	44,411						44,411
Share of profits and losses of:							
Joint ventures	10,101				(66)		10,035
Associates	(29,787)						(29,787)
PROFIT BEFORE TAX	359,670	6	881,174	12,480	(66)	(34,512)	1,218,752
Income tax credit/(expenses)	17,599			(2,059)			15,540
PROFIT FOR THE YEAR	377,269	6	881,174	10,421	(66)	(34,512)	1,234,292

	The Group for the year ended 31 March 2017	Pro forma adjustments					Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 8*	
OTHER COMPREHENSIVE INCOME							
Other comprehensive income to be reclassified to profit or loss in subsequent periods:							
Changes in fair value of available-for-sale investments	13,839						13,839
Exchange differences on translation of foreign operations	(1,644)						(1,644)
Other reserves:							
Release of other reserves for the Step Acquisition of WYTH	11,870						11,870
Share of other comprehensive loss of a joint venture	(3,856)						(3,856)
Share of other comprehensive income of associates	10,568						10,568
	18,582						18,582
OTHER COMPREHENSIVE INCOME FOR THE YEAR	30,777						30,777
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	408,046	6	881,174	10,421	(66)	(34,512)	1,265,069

	The Group for the year ended 31 March 2017	Pro forma adjustments					Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	*Note 5*	*Note 6*	*Note 8*	
Profit/(loss) attributable to:							
Owners of the parent	423,690	4	660,880	7,816	(49)	(25,884)	1,066,457
Non-controlling interests	(46,421)	2	220,294	2,605	(17)	(8,628)	167,835
	377,269	6	881,174	10,421	(66)	(34,512)	1,234,292
Total comprehensive income/(loss) attributable to:							
Owners of the parent	458,409	4	660,880	7,816	(49)	(25,884)	1,101,176
Non-controlling interests	(50,363)	2	220,294	2,605	(17)	(8,628)	163,893
	408,046	6	881,174	10,421	(66)	(34,512)	1,265,069

Unaudited Pro Forma Consolidated Statement of Financial Position of The Remaining Group

	The Group as at 31 March 2017	Pro forma adjustments			Pro forma of the Remaining Group as at 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*	*Note 8*	
NON-CURRENT ASSETS					
Property, plant and equipment	1,285,661				1,285,661
Investment properties	1,473,300				1,473,300
Properties under development	415,004				415,004
Trademarks	68,991				68,991
Investment in joint ventures	91,338		487,962		579,300
Investment in associates	95,118				95,118
Available-for-sale investments	1,134,828				1,134,828
Financial assets at fair value through profit or loss	14,424				14,424
Loans and interest receivables	80,594		600,000		680,594
Deposits and other receivables	42,708				42,708
Deferred tax assets	25,384				25,384
Total non-current assets	4,727,350		1,087,962		5,815,312
CURRENT ASSETS					
Properties under development	3,103,588	2,575,195	(2,575,195)		3,103,588
Available-for-sale investments	35,879				35,879
Inventories	190,658				190,658
Trade receivables	91,764				91,764
Loans and interest receivables	554,921				554,921
Prepayments, deposits and other receivables	2,008,506	(864,430)	249,994		1,394,070
Financial assets at fair value through profit or loss	340,272				340,272
Tax recoverable	6,638				6,638
Cash and cash equivalents	2,369,308	(605,465)	1,178,072	(34,512)	2,907,403
	8,701,534	1,105,300	(1,147,129)	(34,512)	8,625,193
Assets classified as held for sale	196,150				196,150
Total current assets	8,897,684	1,105,300	(1,147,129)	(34,512)	8,821,343

	The Group as at 31 March 2017	Pro forma adjustments			Pro forma of the Remaining Group as at 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*	*Note 8*	
CURRENT LIABILITIES					
Trade payables	124,289				124,289
Other payables and accruals	120,369				120,369
Deposits received and receipts in advance	2,797,159				2,797,159
Interest-bearing bank and other loans	792,793				792,793
Provisions for onerous contracts	4,080				4,080
Tax payable	19,280				19,280
	3,857,970				3,857,970
Liabilities directly associated with the assets classified as held for sale	4,049				4,049
Total current liabilities	3,862,019				3,862,019
NET CURRENT ASSETS	5,035,665	1,105,300	(1,147,129)	(34,512)	4,959,324
TOTAL ASSETS LESS CURRENT LIABILITIES	9,763,015	1,105,300	(59,167)	(34,512)	10,774,636

	The Group as at 31 March 2017	Pro forma adjustments			Pro forma of the Remaining Group as at 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 3*	*Note 4*	*Note 8*	
NON-CURRENT LIABILITIES					
Interest-bearing bank and other loans	3,288,481	1,105,300	(1,105,300)		3,288,481
Deferred tax liabilities	48,276				48,276
Other payables	–		164,959		164,959
Total non-current liabilities	3,336,757	1,105,300	(940,341)		3,501,716
Net assets	6,426,258		881,174	(34,512)	7,272,920
EQUITY					
Equity attributable to owners of the parent					
Share Capital	192,885				192,885
Reserves	4,420,095		660,880	(25,884)	5,055,091
	4,612,980		660,880	(25,884)	5,247,976
Non-controlling interests	1,813,278		220,294	(8,628)	2,024,944
Total Equity	6,426,258		881,174	(34,512)	7,272,920

Unaudited Pro Forma Consolidated Statement of Cash Flows of The Remaining Group

	The Group for the year ended 31 March 2017				Pro forma adjustments				Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	
CASH FLOWS FROM OPERATING ACTIVITIES									
Profit before tax	359,670	6		881,174	12,480	(66)		(34,512)	1,218,752
Adjustments for:									
Finance costs	30,357								30,357
Share of profits and losses of a joint venture and associates	19,686					66			19,752
Loss on remeasurement of pre-existing interest in WYTH	550,445								550,445
Gain on bargain purchase from Step Acquisition of WYTH	(1,056,230)								(1,056,230)
Bank interest income	(6,521)								(6,521)
Imputed interest income from bonds investment	(5,053)								(5,053)
Dividend income from listed securities	(2,676)								(2,676)
Loss on disposal of investment properties, net	1,155								1,155
Loss on disposal of items of property, plant and equipment	363								363
Gain on disposal of subsidiaries, net	(25,306)			(881,174)					(906,480)
Fair value gains on investment properties, net	(50,118)								(50,118)
Fair value losses on financial assets at fair value through profit or loss, net	123,752								123,752
Depreciation	35,750								35,750
Provision/(amount utilised of) for onerous contracts, net	4,080								4,080
Reversal of write-down of properties under development	(44,411)								(44,411)
Impairment of trade receivables, net	5,247								5,247
Impairment of loans and interest receivables	4,643								4,643
Impairment of items of property, plant and equipment	604								604
Allowance on obsolete inventories	3,260								3,260
Accrued rent-free rental income	928								928
	(50,375)	6			12,480			(34,512)	(72,401)

	The Group for the year ended 31 March 2017	Pro forma adjustments							Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	
Decrease in properties held for sale	91,981								91,981
Increase in properties under development	(511,695)								(511,695)
Decrease in inventories	34,191								34,191
Decrease/(increase) in trade receivables, prepayments, deposits and other receivables	(1,772,012)	864,430							(907,582)
Increase in loans and interest receivables	(328,498)				(12,480)				(340,978)
Increase/(decrease) in trade payables	8,714								8,714
Decrease in other payables and accruals	(7,757)								(7,757)
Increase in amount due to the Remaining Group	–	(6)							(6)
Increase/(decrease) in deposits received and receipts in advance	2,715,250								2,715,250
Cash generated from operations	179,799	864,430						(34,512)	1,009,717
Profits tax paid	(44,363)								(44,363)
Net cash flows from operating activities	135,436	864,430						(34,512)	965,354
CASH FLOWS FROM INVESTING ACTIVITIES									
Bank interest received	6,521								6,521
Dividend income from listed securities	2,676								2,676
Dividend income from a joint venture	3,160								3,160
Additions to investment properties	(96,006)								(96,006)
Acquisition of subsidiaries that are not business	(509,400)		(1,469,895)						(1,979,295)
Business combinations	420,287								420,287
Purchases of items of property, plant and equipment	(215,652)								(215,652)
Purchases of financial assets at fair value through profit or loss	(23,919)								(23,919)
Purchases of available-for sale investments	(122,276)								(122,276)
Proceeds from disposal of investment properties	35,586								35,586
Proceed from disposal of available-for sale investments	205,881								205,881
Proceeds from disposal of financial assets at fair value through profit or loss	32,477								32,477
Disposal of subsidiaries	(769)			1,178,072					1,177,303
Net cash flows used in investing activities	(261,434)		(1,469,895)	1,178,072					(553,257)

	The Group for the year ended 31 March 2017	Pro forma adjustments							Pro forma The Remaining Group for the year ended 31 March 2017
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	*Note 8*	
CASH FLOWS FROM FINANCING ACTIVITIES									
Proceeds from WOP Spin-Off	328,890								328,890
Interest paid	(103,045)								(103,045)
Dividends paid	(115,733)								(115,733)
Repayment of bank and other loans	(1,641,037)								(1,641,037)
New bank and other loans	2,743,097								2,743,097
Increase in amount due to the Remaining Group	–	(864,430)					864,430		–
Net cash flows from financing activities	1,212,172	(864,430)					864,430		1,212,172
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,086,174		(1,469,895)	1,178,072			864,430	(34,512)	1,624,269
Cash and cash equivalents at beginning of year	1,288,084								1,288,084
Effect of foreign exchange rate changes, net	(4,474)								(4,474)
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,369,784		(1,469,895)	1,178,072			864,430	(34,512)	2,907,879
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS									
Cash and bank balance	1,869,370		(1,469,895)	1,178,072			864,430	(34,512)	2,407,465
Non-pledge time deposits with original maturity of less than three months when acquired	500,414								500,414
Less: included in the assets classified as held for sale	(476)								(476)
Cash and cash equivalents as stated in the consolidated statement of cash flows and consolidated statement of financial position	2,369,308		(1,469,895)	1,178,072			864,430	(34,512)	2,907,403

Notes to the Unaudited Pro Forma Financial Information of the Remaining Group

(1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 March 2017, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 March 2017, as set out in the published annual report of the Company for the year ended 31 March 2017.

(2) The adjustment reflects the exclusion of the results and cash flows of the Target for the year ended 31 March 2017, which is extracted from the unaudited statement of profit or loss and other comprehensive income and unaudited statement of cash flows of the Target for the year ended 31 March 2017, as set out in Appendix II to this circular, assuming the Disposal had been taken place on 1 April 2016.

(3) The adjustment represents the acquisition of the Project Company by the Target on 19 May 2017 (the "**Acquisition Date**") for a consideration of HK$1,469,900,000 (the "**Acquisition**"). The consideration was based on the amount agreed in the sale and purchase agreements dated 31 March 2017 entered into between the Group and certain independent third parties. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the Acquisition has been completed on 1 April 2016 or 31 March 2017, as appropriate. The net assets acquired by the Group based on the unaudited statement of financial position of the Project Company prepared by the management as at the Acquisition Date are as follows:

	HK$'000
Net assets acquired:	
Properties under development	2,575,195
Cash and cash equivalents	5
Interest bearing bank loans	(1,105,300)
	1,469,900
Satisfied by:	
Cash consideration	1,469,900

An analysis of the cash flows in respect of the Acquisition is as follows:

	HK$'000
Cash:	
Deposit paid as at 31 March 2017	(864,430)
Cash paid on the Acquisition date	(605,470)
	(1,469,900)
Bank balances acquired	5
Net outflow of cash and cash equivalents in respect of the Acquisition	(1,469,895)

(4) In accordance with the conditional sale and purchase agreement entered into between the Group and the Purchaser on 8 September 2017 in relation to the Disposal (the "**Agreement**"), the consideration for the Disposal is HK$2,441,250,000, subject to adjustment upon completion. The adjustment reflects the pro forma gain on the Disposal assuming that the Acquisition and Disposal had been completed on 1 April 2016 or 31 March 2017, as appropriate. The pro forma gain on the Disposal, which is based on the net asset value of the Target as at 30 April 2017 and the Project Company as at the Acquisition Date, is calculated as follows:

	Notes	*HK$'000*
Total consideration		
Consideration receivable	(i)	1,613,118
Retained interest	(ii)	737,962
		2,351,080
Carrying amount of assets and liabilities of the Disposal Group		
Properties under development		2,575,195
Other receivables		6
Cash and cash equivalents		5
Interest bearing bank loans		(1,105,300)
		1,469,906
Pro forma gain on the Disposal		881,174

An analysis of the cash flows in respect of the Disposal is as follows:

		HK$'000
Cash consideration	(i)	1,178,077
Cash and cash equivalents disposed of		(5)
Net inflow of cash and cash equivalents in respect of the Disposal		1,178,072

Notes:

(i) The consideration receivable in respect of the Disposal is calculated as follows:

	Notes	*HK$'000*
Cash consideration		2,441,250
Less: Adjustment to net assets value of the Disposal Group	(a)	(663,173)
Less: Partial refund of consideration	(b)	(164,959)
		1,613,118
Satisfied by:		
Cash		1,178,077
Loan receivable	(c)	600,000
Other payable	(b)	(164,959)
		1,613,118

Notes:

(a) In accordance with the Agreement, the consideration will be adjusted based on the net assets value of the Disposal Group shared by the Purchaser upon completion, after excluding the carrying amount of the properties under development. For the purpose of this Unaudited Pro Forma Financial Information, it is assumed that the carrying amounts of the assets and liabilities of the Target and the Project Company, other than the properties under development, are the same as those on 30 April 2017 and the Acquisition Date, respectively, as mentioned above. Accordingly, the adjustment is calculated by multiplying the aggregate net liabilities (comprises of other receivables of HK$6,000, cash and cash equivalents of HK$5,000 and interest-bearing bank loans of HK$1,105,300,000) of HK$1,105,289,000 by 60%.

(b) Pursuant to the Agreement, the Group also agreed to refund a sum of HK$164,959,000 upon the second anniversary date of Disposal to the Purchaser. For the purpose of this Unaudited Pro Forma Financial Information, it is assumed that the effect of discounting is not significant and accordingly, no adjustment is made to discount the above refund to its present value.

(c) Pursuant to a facility letter agreement entered into between the Group and the Purchaser, the Group agreed to advance a loan with a principal amount of HK$600,000,000 to the Purchaser at an interest rate of 0.7% per annum over 12-month HIBOR (Hong Kong Interbank Offered Rate) for a term of 24 months from the date of completion. It is assumed that the above loan will be utilised as part of the settlement of the consideration.

(ii) Upon completion of the Disposal, the Group will account for its remaining 40% equity interest in the Disposal Group as "Investment in joint ventures" using the equity method of accounting. For the purpose of the Unaudited Pro Forma Financial Information, it is assumed that the net assets value of the Target and the Project Company are the same as that on 30 April 2017 and the Acquisition Date, respectively, as mentioned above and accordingly, the Group's investment in the Disposal Group is calculated as follow:

		HK$'000
Net assets of the Disposal Group		1,469,906
Less: Payable to the Remaining Group	*(note)*	(250,000)
	(A)	1,219,906
40% retained interest of the Disposal Group	(B) = (A) × 40%	487,962
Receivables from the Disposal Group	*(note)*	250,000
		737,962

Note: The balance represents the construction payments advanced to the Project Company by the Remaining Group and will be repaid to the Remaining Group from new syndicated loans to be obtained by the Project Company in accordance with the Agreement.

This pro forma adjustment will not have any continuing effect on the consolidated statement of profit or loss of the Remaining Group. The final gain on the Disposal may be different from the amount described above and would be subject to the carrying amount of the assets and liabilities of the Disposal Group on the date of the completion of the Disposal.

(5) The adjustment represents the interest income and the related tax expenses from the loan receivable of HK$600,000,000, which is interest bearing at rate of 0.7% per annum over 12-month Hong Kong Interbank Offered Rate ("**HIBOR**"). It is assumed that the 12-month HIBOR was 1.38% and the tax rate was 16.5%. This adjustment is expected to have a continuing effect on the consolidated statement of profit or loss and other comprehensive income of the Group after the completion of the Disposal.

(6) The adjustment represents the share of loss of the Disposal Group using the equity method of accounting for the year ended 31 March 2017, assuming the Disposal had been completed on 1 April 2016. The share of loss of HK$66,000 represents 40% of the loss of HK$164,000 of the Disposal Group, which is based on the results of the Target for the year ended 31 March 2017, as set out in Appendix II to this circular, and the results of the Project Company for the year ended 31 December 2016, which is based on the audited financial statements of the Project Company for the year ended 31 December 2016. This adjustment is expected to have a continuing effect on the consolidated statement of profit or loss and other comprehensive income of the Group after the completion of the Disposal.

(7) The adjustment represents the reclassification of the intra-group cash flows for the year ended 31 March 2017 as the Disposal Group is no longer companies within the Remaining Group after the completion of the Disposal.

(8) This adjustment represents the estimated direct legal and professional costs related to the Disposal, which amounts to approximately HK$34,512,000.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certificated Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Group.

EY 安永

22/F, CITIC TOWER
1 Tim Mei Avenue
Central, Hong Kong

12 October 2017

To the Directors of Wang On Group Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wang On Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 March 2017, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 March 2017, and related notes set out in section A of Appendix III of the circular dated 12 October 2017 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the proposed disposal of the 60% of the issued capital of Ease Mind Investments Limited (the "**Target**") (the "**Disposal**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in section A of Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Disposal on the Group's financial position as at 31 March 2017 and the Group's financial performance and cash flows for the year ended 31 March 2017 as if the Disposal had taken place on 31 March 2017 and 1 April 2016, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Company's published annual report for the year ended 31 March 2017. Information about the Target's financial position as at 30 April 2017, financial performance and cash flows for the year ended 31 March 2017 has been extracted by the Directors from the financial information of the Target for the year ended 31 March 2015, 2016 and 2017, and the one month period ended 30 April 2016 and 2017 as published in Appendix II to the Circular.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Unaudited Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Unaudited Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with rule 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to rule 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

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 August 2017 of the Property.

Asset Appraisal Limited
中誠達資產評值顧問有限公司

Rm 901 9/F On Hong Commercial Building
No.145 Hennessy Road Wanchai HK
香港灣仔軒尼詩道145號安康商業大廈9樓901室
Tel: (852) 2529 9448 Fax: (852) 3521 9591

12 October 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 Yiu Sha Road Whitehead Ma On Shan Sha Tin New Territories

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 August 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 15 September 2017 by Wan Lee Yung, 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 August 2017 *HK$*
Yiu Sha Road Whitehead Ma On Shan Sha Tin New Territories Sha Tin Town Lot No. 601	The Property comprises a parcels of land with a total site area of approximately 252,954 square feet (23,500.00 square metres) or thereabouts. 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 387,504 square feet (36,000 square meter). The Property is held under New Grant No. 22025 for the term of 50 years commencing from 9 January 2015. The annual rent is 3% of the rateable value of the lot.	As at the valuation date, the Property was a development site.	4,070,000,000

Notes:

1. The registered owner of the Property is Loyal Pioneer Limited, a wholly-owned subsidiary of the Target. Pursuant the Sale and Purchase Agreement between China City Construction Property Company Limited and Success Will Development Limited and Ease Mind Investments Limited a wholly-owned subsidiary of WOP dated 31 March 2017, Ease Mind Investments Limited acquired the 100% shareholder equity of Loyal Pioneer Limited in consideration of HK$1,469,895,000.

2. The Property is subject to a Debenture and Mortgage in favour of the Hong Kong and Shanghai Banking Corporation Limited vide memorial No. 17061602540089 dated 31 May 2017.

3. The Property falls within an area zoned "Comprehensive Development Area (3)" under Ma On Shan Outline Zoning Plan No. S/MOS/22 dated 15 January 2016.

4. The development condition is based on the latest approved scheme as follows:

i.	Total Gross Floor Area	36,000 square meter or thereabouts
ii.	Plot Ratio	
	Domestic	5.9
	Non-Domestic	11
iii.	Maximum Height	48.35m
iv.	Site Class	A
v.	Building Covent	buildings to be completed on or before 31 March 2021

5. A reconciliation of the carrying value of the Property held by the Target Group as at 31 August 2017 to the market value of the Property held by the Target Group as at 31 August 2017 (as mentioned above) is set out below:

	HK$'000
Carrying value of the Property as at 31 August 2017	2,641,865
Valuation surplus	1,428,135
Market value as at 31 August 2017	4,070,000

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: Personal interest	Family interest	Corporate interest	Other interest	Total	Approximate percentage of the Company's total issued share capital *(Note f)* %
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 are 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 number of Shares 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 renewal agreement dated 13 September 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 renewal of a secured loan of a principal amount of HK$150.0 million for another term of twelve months with the interest rate of 9.75% per annum, the details of which were set out in the announcement of the Company dated 13 September 2017;

(b) an extension agreement dated 25 August 2017 entered into between Double Leads Investments Limited ("**Double Leads**"), an indirectly wholly-owned subsidiary of the Company, as the lender, and China Agri-Products Exchange Limited ("**CAP**"), as the borrower, pursuant to which Double Leads agreed to extend the payment date of the interest accrued on the drawdowns of a revolving loan facility in an aggregate amount of HK$100 million payable on 25 August 2017 and 28 September 2017 to be both otherwise due and payable on 30 November 2017 at an interest rate of 12% which shall be payable on the accrued interests for the respective extension periods, the details of which were set out in the announcement of CAP dated 25 August 2017;

(c) a renewal agreement dated 26 July 2017 entered into between Fulling as the lender, and an independent third party customer, as the borrower, pursuant to which Fulling agreed to renew the loan agreement dated 26 January 2017 of a principal amount of HK$90.0 million with the customer at an interest rate of 18%

per annum for a term of three months (with an option to renew for further 3 months), the details of which were set out in the announcement of the Company dated 26 July 2017;

(d) letters of request issued by CAP and acknowledged by Double Leads as the bondholder on 29 May 2017, 4 July 2017 and 15 September 2017, pursuant to which Double Leads agreed to extend the payment date of the interest accrued on the 5-year 10.0% coupon bonds due 2019 issued by CAP (the "**2019 CAP Bonds**") to be otherwise due and payable on 29 May 2017 to 31 August 2017 and further to 30 November 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 and the announcement jointly issued by the Company, WYT, Easy One and CAP dated 26 July 2017 and 15 September 2017;

(e) 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 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;

(f) a loan agreement dated 26 January 2017 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$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;

(g) 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 announcement of the Company dated 13 September 2016;

(h) 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;

(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 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, details of which were set out in the announcement of the Company jointly issued with WYT on 8 July 2016;

(j) 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**");

(k) 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;

(l) 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;

(m) 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;

(n) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope and WOE in respect of the acquisition by Sparkle Hope of the entire issued share capital of, and shareholders' loans owed by, East Run Investments Limited ("**East Run**") and More Action at a consideration of HK$2,047,989,378;

(o) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope 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 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;

(p) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope 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 to Earnest Spot Limited in the amount of HK$2,047,989,378 to WOP absolutely, for a consideration of HK$1.00; and

(q) 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.

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) the Facility Agreement;

(c) a sale and purchase agreement dated 7 June 2017 entered into, *inter alia*, between Swift Prosper Limited (an indirectly wholly-owned subsidiary of WOP), as the vendor and Xu Qi Co. Limited, as the purchaser, pursuant to which the vendor agreed to sell one issued ordinary share of Wonder Sign Limited and assign a shareholder loan at a consideration of HK$664,485,000, the details are set out in the announcement jointly issued by the Company and WOP dated 7 June 2017;

(d) 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;

(e) 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, the details of which were set out in the announcement of the Company jointly issued with WOP on 7 November 2016;

(f) 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;

(g) 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;

(h) 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;

(i) 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;

(j) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope and WOE in respect of the acquisition by Sparkle Hope 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;

(k) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope 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 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;

(l) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope 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 to Earnest Spot Limited in the amount of HK$2,047,989,378 to the Company absolutely, for a consideration of HK$1.00;

(m) 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 car parking spaces of Riviera Plaza of Riviera Gardens 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; and

(n) 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 WYT, 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), the details of which were set out in the announcement and circular issued by WYT on 13 November 2015 and 4 December 2015, respectively.

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 to be issued proposed by CAP, which had been terminated on 15 September 2017, the details of which were set out in the announcements dated 26 July 2017 and 15 September 2017 jointly issued by the Company and WYT;

(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, which had been terminated on 15 September 2017;

(c) letters of request issued by CAP and acknowledged by Winning Rich as the bondholder on 29 May 2017, 4 July 2017 and 15 September 2017, 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 and 30 November 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 and the announcements jointly issued by the Company, WYT, Easy One and CAP dated 26 July 2017 and 15 September 2017;

(d) 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;

(e) 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;

(f) 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;

(g) 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;

(h) 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;

(i) 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;

(j) 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;

(k) 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 the SZ Properties, 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;

(l) 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

(m) 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 qualifications of the experts whose statements have been included in this circular:

Name	Qualification
Asset Appraisal Limited	Independent professional valuer
Ernst & Young	Certified Public Accountants

Each of the experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letters or opinions or reports or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the experts 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, each of the experts 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 branch 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 the date of SGM:

(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 report by the auditors on the pro forma statement of the Remaining Group as set out in Appendix III to this circular;

(d) the valuation report on the Property prepared by Asset Appraisal Limited as set out in Appendix IV to this circular;

(e) the annual reports of the Company for the two financial years ended 31 March 2016 and 2017;

(f) the written consents referred to in the paragraph headed "Expert and Consent" in this Appendix;

(g) a copy of the circular dated 26 July 2017 issued by the Company pursuant to the requirements set out in Chapter 14 of the Listing Rules; and

(h) this circular.

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 27/F, Neich Tower, 128 Gloucester Road, Wan Chai, Hong Kong on Monday, 6 November 2017 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the entering into the conditional sale and purchase agreement dated 8 September 2017 (the "**Agreement**") between (i) More Action Investments Limited (the "**Vendor**"), an indirectly wholly-owned subsidiary of Wang On Properties Limited ("**WOP**", a listed 75%-owned subsidiary of the Company) as the vendor, (ii) Sparkle Hope Limited, an indirectly wholly-owned subsidiary of WOP as the Vendor's guarantor, (iii) Clear Idea International Limited, as the purchaser, (the "**Purchaser**") and (iv) Angel View International Limited ("**Angel View**"), as the Purchaser's guarantor (a copy of which has been produced to this meeting marked "A" and initialled by the chairman of the meeting for identification purpose) in relation to the sale and purchase of six ordinary shares of Ease Mind Investments Limited (the "**Target**"), representing 60% of the entire issue share capital of the Target, and the assignment of 60% of the shareholder loan owed by the Target to the Vendor for a total consideration of HK$2,441,250,000 (subject to adjustment), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;

(b) the (i) entering into the conditional facility agreement dated 8 September 2017 (the "**Facility Agreement**") between the Vendor, the Purchaser and Angel View (a copy of which has been produced to this meeting marked "B" and initialled by the chairman of the meeting for identification purpose), in relation to the advance of a secured and interest-bearing term loan facility of HK$600,000,000 to the Purchaser, and (ii) authorisation of the directors of the Company (the "**Directors**") to commit the Vender to providing additional loans, guarantee(s) and/or other financial assistance of up to

* *For identification purpose only*

HK$1.5 billion to or for the benefit of the Target in relation to any agreed funding requirements for a development project carried out by the Target and its subsidiary, on the basis that the same shall be so provided in proportion to the Purchaser's shareholding interest in the Target from time to time and otherwise on normal commercial terms and all the transactions contemplated thereunder (together with the Facility Agreement, the "**Possible Financial Assistance**") be and are hereby approved, confirmed and ratified; and

(c) any one Director be and is hereby authorised to do all such acts and things as the Director in his sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Agreement, the Facility Agreement, the Possible Financial Assistance and the transactions contemplated thereunder, where required, any amendment of the terms of the Agreement, the Facility Agreement and the Possible Financial Assistance as required by, or for the purposes of obtaining the approval of, relevant authorities or to comply with all applicable laws, rules and regulations."

By Order of the board of
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Mak Yuen Ming, Anita
Company Secretary

Hong Kong, 12 October 2017

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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

* *For identification purpose only*

Notes:

1. The register of members of the Company will be closed from Wednesday, 1 November 2017 to Monday, 6 November 2017, both dates inclusive, during which period no transfer of shares of the Company ("**Shares**") will be registered. In order to be entitled to attend and vote at the SGM, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 31 October 2017.

2. Any member of the Company ("**Member**") entitled to attend and vote at the SGM is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the SGM. A proxy need not be a Member.

3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

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, Level 22, Hopewell Centre, 183 Queen's Road East, 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). 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.

5. Where there are joint holders of any shares, 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 holders.

6. The above resolution will be voted by way of a poll at the SGM.