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WANG ON GROUP LIMITED

(宏 安 集 團 有 限 公 司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

**DISCLOSEABLE TRANSACTION
SUBSCRIPTION OF H SHARES IN
HONG KONG PUBLIC OFFERING OF
ANT GROUP CO., LTD.**

THE SUBSCRIPTION

The Board announces that on 28 October 2020, the Subscriber, an indirect wholly-owned subsidiary of the Company, made an application through the Broker to subscribe for 2,000,000 Hong Kong Offer Shares in the Hong Kong Public Offering of Ant Group. The amount of the application monies paid was HK\$160,000,000, exclusive of the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee, payable in connection with the Subscription.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Subscription exceed(s) 5% but all of them are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that completion of the Subscription is subject to the various conditions set out in the Prospectus, including those set out under the paragraph headed “Conditions of the H Share IPO” in the section headed “Structure of the H Share IPO” in the Prospectus and allocation and reallocation under the Hong Kong Public Offering. As the Subscription may or may not materialise, and the Subscriber may or may not be allocated with any Hong Kong Offer Shares under the Hong Kong Public Offering, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

* For identification purpose only

THE SUBSCRIPTION

The Board announces that on 28 October 2020, the Subscriber through the Broker made the Subscription of the Applied HK Offer Shares in the Hong Kong Public Offering. The amount of the application monies paid was HK\$160,000,000, exclusive of the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable in connection with the Subscription.

Details of the Subscription are as follows:

Date of the Subscription

28 October 2020

Parties

- (a) Mailful Investments Limited as the Subscriber. The Subscriber is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.
- (b) Morgan Stanley Bank Asia Limited as the Broker through which the Subscription was made. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, the Broker and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Subscription

On 28 October 2020, the Subscriber through the Broker made the Subscription of the Applied HK Offer Shares in the Hong Kong Public Offering. The amount of the application monies paid was HK\$160,000,000, exclusive of the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable in connection with the Subscription.

The Subscription is subject to final allocation of the H Shares in the H Share IPO of Ant Group and the Subscriber may or may not be allocated with any H Shares in the H Share IPO. The Company will issue further announcement when the final number of the Hong Kong Offer Shares successfully applied for and the final amount of the subscription monies payable by the Subscriber has been determined.

The H Share Offer Price

According to the Prospectus, the H Share Offer Price is fixed at HK\$80 per Offer Share.

The subscription monies payable by the Subscriber shall be determined by multiplying the final number of the Hong Kong Offer Shares successfully applied for and the H Share Offer Price plus brokerage fee of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%.

The Group will fund the subscription monies from its internal resources and/or bank financing.

Completion of the Subscription

Completion of the Subscription is subject to the various conditions set out in the Prospectus, including those set out under the paragraph headed “Conditions of the H Share IPO” in the section headed “Structure of the H Share IPO” in the Prospectus and allocation and reallocation under the Hong Kong Public Offering.

According to the expected timetable of the H Share IPO as stated in the Prospectus, the expected date of dealing of the H Shares on the Stock Exchange is 5 November 2020. Completion of the Subscription and the payment of subscription monies shall be on or before the date of dealing of the H Shares on the Stock Exchange.

The Company will issue further announcement regarding the final number of the Hong Kong Offer Shares successfully applied for and the final amount of the subscription monies payable by the Subscriber when the Subscription is materialised and completed.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

After taking into account of the business prospects, financial performance and potential growth of Ant Group, the Directors consider that the Subscription is in alignment with the Group’s principal activities of carrying out investment in securities and will enable the Group to diversify its investment portfolio and capture possible investment returns.

In light of the above, the Board considers that the terms of the Subscription are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE GROUP AND THE SUBSCRIBER

The Group is principally engaged in (a) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (b) property investment and property development in Hong Kong through its 75%-owned listed non wholly-owned subsidiary, Wang On Properties Limited (stock code: 1243); (c) manufacturing and/or retailing of pharmaceutical and health food products through its 58.08%-owned listed non wholly-owned subsidiary, WYT; and (d) management and sales of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited (stock code: 0149), 53.37%-owned listed non wholly-owned subsidiary of WYT.

INFORMATION ON ANT GROUP

Ant Group is a limited liability company incorporated in the PRC on 19 October 2000 and was converted into a joint stock limited company on 28 December 2016. Ant Group was formerly known as Ant Small and Micro Financial Services Group Co., Ltd. or Zhejiang Alibaba E-Commerce Co., Ltd. Ant Group and its subsidiaries is principally involved in the provision of digital payment and merchant services, digital finance technology platform, innovation initiatives and others. Details of the businesses of Ant Group and its subsidiaries are set out in the Prospectus.

Set out below is the audited consolidated financial information of Ant Group for each of the financial years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2020, which was extracted from the Prospectus:

	For the year ended 31 December 2017 <i>(RMB'million)</i>	For the year ended 31 December 2018 <i>(RMB'million)</i>	For the year ended 31 December 2019 <i>(RMB'million)</i>	For the six months ended 30 June 2020 <i>(RMB'million)</i>
Revenue	65,396	85,722	120,618	72,528
Net profit before taxation	10,948	3,114	21,052	24,419
Net profit after taxation	8,205	2,156	18,072	21,923
	As at 31 December 2017 <i>(RMB'million)</i>	As at 31 December 2018 <i>(RMB'million)</i>	As at 31 December 2019 <i>(RMB'million)</i>	As at 30 June 2020 <i>(RMB'million)</i>
Total equity	65,368	152,384	189,568	214,931

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, Ant Group and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION ON THE BROKER

Morgan Stanley Bank Asia Limited is licensed with CE number BDM672 for Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 9 (asset management) regulated activities by the SFC under the SFO.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Subscription exceed(s) 5% but all of them are less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that completion of the Subscription is subject to the various conditions set out in the Prospectus, including those set out under the paragraph headed “Conditions of the H Share IPO” in the section headed “Structure of the H Share IPO” in the Prospectus and allocation and reallocation under the Hong Kong Public Offering. As the Subscription may or may not materialise, and the Subscriber may or may not be allocated with any Hong Kong Offer Shares under the Hong Kong Public Offering, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement unless the context otherwise requires, the following terms have the following meanings:

“Ant Group”	Ant Group Co., Ltd., a company organised under the laws of the PRC on 19 October 2000, being the issuer of H Shares in the H Share IPO
“Applied HK Offer Shares”	2,000,000 Hong Kong Offer Shares applied for by the Subscriber through the Broker under the Hong Kong Public Offering
“Board”	the board of Directors
“Broker”	Morgan Stanley Bank Asia Limited, a company incorporated under the laws of Hong Kong with limited liability
“Company”	Wang On Group Limited, an exempted company incorporated in Bermuda with limited liability and the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares in the share capital of Ant Group with a nominal value of RMB1.00 each, which are to be subscribed for and traded in Hong Kong dollars and are to be listed on the Stock Exchange
“H Share IPO”	initial public offering by way of Hong Kong Public Offering and International Placing
“H Share Offer Price”	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage fee, SFC transaction levy and the Stock Exchange trading fee) of HK\$80, at which Hong Kong Offer Shares are to be subscribed for
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Hong Kong Offer Shares”	the H Shares initially offered by Ant Group for subscription at the H Share Offer Price pursuant to the Hong Kong Public Offering (subject to reallocation as described in the section headed “Structure of the H Share IPO” in the Prospectus)
“Hong Kong Public Offering”	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong
“International Offer Shares”	the H Shares initially offered by Ant Group for subscription pursuant to the International Placing (subject to reallocation as described in the paragraph headed “Reallocation” under the section headed “Structure of the H Share IPO” in the Prospectus) together with, where relevant, any additional H Shares which may be issued by Ant Group pursuant to the exercise of the H Share Over-allotment Option (as defined in the Prospectus)
“International Placing”	the placing of the International Offer Shares at the H Share Offer Price outside the United States in offshore transactions in accordance with Regulation S and in the United States to QIBs in reliance on Rule 144A or any other available exemption from the registration requirements under the U.S. Securities Act, as further described in the section headed “Structure of the H Share IPO” in the Prospectus
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Offer Share(s)”	the Hong Kong Offer Shares and the International Offer Shares together with, where relevant, any additional H Shares which Ant Group may issue pursuant to the exercise of the Over-allotment Option (as defined in the Prospectus)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus dated 27 October 2020 issued by Ant Group
“QIBs”	a qualified institutional buyer within the meaning of Rule 144A under the U.S. Securities Act
“Rule 144A”	Rule 144A under the U.S. Securities Act
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended and supplemented from time to time
“Shares”	the ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholders”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Mailful Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Subscription”	the application to subscribe for the Applied HK Offer Shares
“subsidiary(ies)”	has the meaning ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended and supplemented from time to time
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated
“WYT”	Wai Yuen Tong Medicine Holdings Limited, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“%”	per cent.

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

Hong Kong, 28 October 2020

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Mr. Chan Chun Hong, Thomas and three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung.

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