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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 INVESTMENT IN QUOTED BONDS

The Board announces that on 16 July 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, acquired in the secondary market the Bonds in the principal amount of US\$10 million (equivalent approximately HK\$78 million) at a consideration of approximately US\$10.3 million (equivalent to approximately HK\$80.2 million).

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all the percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

THE ACQUISITION

The Board announces that on 16 July 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, acquired in the secondary market the Bonds in the principal amount of US\$10 million (equivalent approximately HK\$78 million) at a consideration of approximately US\$10.3 million (equivalent to approximately HK\$80.2 million) inclusive of price of approximately 99.76% to the principal amounts of the Bonds acquired, accrued interest and other costs and expense. As the Acquisition was conducted in the secondary market, the Company is not aware of the identities of the seller(s) of the Bonds. On such basis, and to the best of the Board's knowledge, information and belief having made all reasonable enquiries, the counterparty(ies) to the Acquisition, the Issuer and its/their ultimate beneficial owner(s) (if any) is/are third party(ies) independent of the Company and its connected persons. The consideration for the Acquisition will be settled in cash and satisfied by the internal resources of the Group.

The Bonds are senior notes in the principal amount of US\$980 million issued by the Issuer carrying interest at the rate of 9.75% per annum payable semi-annually in arrears on 28 March and 28 September of each year, except that the first payment of interest, to be made on 28 March 2021, will be in respect of the period from and including 16 July 2020 to but excluding 28 March 2021. The Bonds are listed and traded on the SGX-ST.

The Bonds, unless they are redeemed prior to their maturity date at the option of the Issuer in accordance with the terms of the Bonds, will mature on 28 September 2023.

At any time and from time to time on or after 28 September 2022, the Issuer may at its option redeem the Bonds, in whole or in part, at a redemption price equal to 103% of the principal amount of the Bonds plus accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time prior to 28 September 2022, the Issuer may at its option redeem the Bonds, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Bonds plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date. Neither the trustee nor any of the agents shall be responsible for verifying or calculating the applicable premium.

At any time prior to 28 September 2022, the Issuer may redeem up to 35% of the aggregate principal amount of the Bonds with the net cash proceeds of one or more sales of common stock of the Issuer in an equity offering at a redemption price of 109.75% of the principal amount of the Bonds, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Bonds originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

INFORMATION ON THE GROUP, THE PURCHASER AND THE ISSUER

The Group and the Purchaser

The Group is principally engaged in (i) management and sub-licensing of fresh markets and treasury management in Hong Kong and the PRC; (ii) property investment and property development in Hong Kong through Wang On Properties Limited (Stock Code: 1243), its 75%-owned listed subsidiary; (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (Stock Code: 897), its 65.79%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through China Agri-Products Exchange Limited (Stock Code: 149), a 53.37%-owned listed subsidiary of Wai Yuen Tong Medicine Holdings Limited.

The Purchaser is principally engaged in investment holding.

The Issuer

The Issuer is Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1638).

According to the annual report 2020 of the Issuer posted on the website of the Stock Exchange:

1. the Issuer is an investment holding company, and its subsidiaries are principally engaged in property development, property investment, property management, hotel and catering operations, cinema, department stores and cultural centre operations, water-way passenger and cargo transportation and health care operations in the PRC;
2. the audited total asset value of the Issuer and its subsidiaries as at 31 December 2020 was approximately RMB309,898.6 million (equivalent to approximately HK\$371,878.3 million);
3. the audited consolidated net profit before and after taxation of the Issuer and its subsidiaries for the year ended 31 December 2020 amounted to approximately RMB10,502.4 million (equivalent to approximately HK\$12,602.8 million) and approximately RMB5,278.4 million (equivalent to approximately HK\$6,334.1 million), respectively; and
4. the audited consolidated net profit before and after taxation of the Issuer and its subsidiaries for the year ended 31 December 2019 amounted to approximately RMB9,467.6 million (equivalent to approximately HK\$11,361.1 million) and approximately RMB4,164.0 million (equivalent to approximately HK\$4,996.8 million), respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Board considers that the purchase of the Bonds will provide the Group with an opportunity to enhance income for its surplus cash amidst the prevailing low interest rate environment. The Group has previously acquired in the secondary market in 2019 the Existing Bonds in the aggregate principal amount of US\$4.0 million (which did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the relevant time) which has generated total interest of approximately US\$0.9 million for the Group up to the date of this announcement. Further, the Board also takes into consideration the profile of the Issuer which is one of the leading property developers in the PRC. The Board would also consider to sell all or part of the Bonds as and when it is considered appropriate in the future.

As the Acquisition was made in the secondary market at market price, the Board is of the opinion that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 5% but all the percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Bonds by the Purchaser
“Board”	the board of Directors
“Bonds”	9.75% senior notes in the principal amount of US\$980 million due 2023 issued by the Issuer
“Company”	Wang On Group Limited (宏安集團有限公司)*, 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: 1222)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Bonds”	10.875% senior notes due 2023 issued by the Issuer previously acquired by a member of the Group in 2019 in the aggregate principal amount of US\$2.0 million and 11.25% senior notes due 2022 issued by the Issuer previously acquired by a member of the Group in 2019 in the principal amount of US\$2.0 million
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	Kaisa Group Holdings Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1638)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement (unless otherwise stated), excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Mailful Investments Limited, an indirect wholly-owned subsidiary of the Company and a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in investment holding
“RMB”	Renminbi, the lawful currency of the PRC
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

For the purpose of illustration only, amounts denominated in US\$ and RMB in this announcement have been translated into HK\$ at the rate of US\$1.00 = HK\$7.80 and RMB1.00 = HK\$1.20, respectively. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 16 July 2021

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

** For identification purpose only*