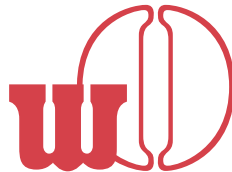

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



WANG ON GROUP LIMITED
(宏安集團有限公司)*
(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

**(1) CONNECTED TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Advisor to the Independent Board Committee
and the Independent Shareholders**



A letter from the Board is set out on pages 6 to 16 of this circular.

A notice convening the SGM to be held at 19th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Wednesday, 22 June 2022 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 54, 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.

PRECAUTIONARY MEASURES FOR THE SGM

Taking into account the recent development of the pandemic caused by the coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the SGM to protect attendants from the risk of infection:

- (i) compulsory body temperature checks will be conducted for every attending Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.4 degrees Celsius will not be admitted to the venue, but will be able to vote by submitting a voting slip to the scrutineer at the entrance of the venue;
- (ii) every attending Shareholder or proxy is required to scan the "Leave Home Safe" venue QR code, comply with the requirements of the "Vaccine Pass Direction" and wear a surgical mask throughout the SGM;
- (iii) attending Shareholders or proxies will be assigned to a designated seating area and the seating capacity will also be limited to ensure social distancing; and
- (iv) no souvenirs will be provided. No food or drink will be served at the SGM and there will be measures in place (including any necessary partitioning arrangements) for the purposes of complying with the prevailing requirements or guidelines published by the Hong Kong government and/or regulatory authorities at the time of the SGM.

* "Vaccine Pass Direction" is defined under the Prevention and Control of Disease (Vaccine Pass) Regulation (Cap. 599L of the Laws of Hong Kong).

Any person who (a) does not comply with any of the precautionary measures above; (b) is subject to any Hong Kong government prescribed quarantine or has close contact with any person under quarantine; or (c) has any flu-like symptoms may be denied entry to the venue at the absolute discretion of the Company.

In light of the continuing risks posed by the COVID-19 epidemic, the Company recommends Shareholders to appoint the chairman of the SGM as their proxy to vote according to their indicated voting instructions in lieu of attending the SGM in person. Physical attendance by a Shareholder is not necessary for the purpose of exercising voting rights.

The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong government and/or regulatory authorities, and if necessary, will make further announcements at short notice in case of any update regarding the precautionary measures to be carried out at the SGM. Shareholders should visit the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wangon.com) for future announcements and updates on the SGM arrangements.

7 June 2022

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DEFINITIONS

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

“2019 Bonds”	five-year 10.0% coupon bonds issued by CAP on 28 November 2014
“associate(s)”, “connected person(s)”, “controlling shareholder(s)” and “subsidiary(ies)”	each has the meaning as ascribed to it under the Listing Rules
“Bank”	平安銀行股份有限公司 (Ping An Bank Co., Ltd.), a bank licensed as a financial institution by the China Banking Regulatory Commission in the PRC
“Board”	the board of the Directors
“Business Day”	any day (excluding any Saturday, Sunday and public holiday) on which banks in Hong Kong and the PRC are generally open for business throughout their normal business hours
“CAP”	China Agri-Products Exchange Limited 中國農產品交易所有限公司, an exempted company incorporated in Bermuda with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 149)
“CAP Group”	CAP and its subsidiaries
“Company”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“Director(s)”	the director(s) of the Company
“Double Leads”	Double Leads Investments Limited 倍利投資有限公司, 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 the provision of loan as at the Latest Practicable Date
“Existing Loan”	the loan in the initial aggregate principal amount of HK\$710 million granted by Double Leads and Winning Rich to CAP pursuant to the Existing Loan Agreement

DEFINITIONS

“Existing Loan Agreement”	two sets of loan agreements, both dated 26 September 2019, entered into between CAP as the borrower and (i) Double Leads and (ii) Winning Rich as the lenders, pursuant to which Double Leads and Winning Rich agreed to grant the Existing Loan to CAP
“Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung
“Independent Financial Advisor”	Merdeka Corporate Finance Limited, a corporation licensed by the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial advisor of the Company to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholder(s) who is/are not required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement
“Latest Practicable Date”	1 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listed Bonds”	the bonds issued by CAP and listed on the Stock Exchange (Stock Code: 5755), with the carrying amounts of approximately HK\$220 million as of the Latest Practicable Date. The Listed Bonds bear interest at 1% per annum and are repayable on maturity on 30 September 2024
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Luoyang Hongjin”	Luoyang Hongjin Agricultural By-Products Wholesale Market Limited* (洛陽宏進農副產品批發市場有限公司), an indirect wholly-owned subsidiary of CAP established in the PRC
“Mr. Tang”	Mr. Tang Ching Ho, the chairman of the Company and an executive Director and a controlling Shareholder
“Proposed Bank Loan”	a RMB300 million (in its HKD equivalent) loan facility proposed to be provided to CAP by the Bank under the Proposed Bank Loan Agreement
“Proposed Bank Loan Agreement”	the loan facility agreement proposed to be entered into between CAP and the Bank in relation to the Proposed Bank Loan
“Proposed Guarantee”	the guarantee proposed to be provided by WYT in favor of the Bank pursuant to the Proposed Guarantee Agreement
“Proposed Guarantee Agreement”	the guarantee agreement proposed to be entered into between WYT and the Bank, pursuant to which WYT would agree to guarantee all liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount of RMB300 million (in its HKD equivalent), any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Revolving Loan Facility”	the unsecured revolving loan facility in the principal amount of HK\$70 million and HK\$506 million to be granted by Double Leads and Winning Rich, respectively, to CAP for a term of five years pursuant to the Revolving Loan Facility Agreement
“Revolving Loan Facility Agreement”	two sets of unsecured revolving loan facility agreements, both dated 3 May 2022, entered into between CAP as the borrower and (i) Double Leads and (ii) Winning Rich as the lenders, pursuant to which Double Leads and Winning Rich agreed to make the Revolving Loan Facility available to CAP
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

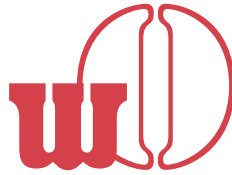
DEFINITIONS

“SGM”	the special general meeting of the Company to be convened and held for the purpose of, among others, approving the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility
“Shenzhen Hongjin”	Shenzhen Hongjin Huimin Agricultural By-Products Co., Ltd.* (深圳宏進惠民農副產品有限公司), an indirect wholly-owned subsidiary of CAP established in the PRC
“Share(s)”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Winning Rich”	Winning Rich Investments Limited 凱裕投資有限公司, an indirect wholly-owned subsidiary of WYT and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in the provision of loan as at the Latest Practicable Date
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243), a 75%-owned listed subsidiary of the Company
“Wuhan Baisazhou Agricultural”	Wuhan Baisazhou Agricultural By-Product Grand Market Company Limited* (武漢白沙洲農副產品大市場有限公司), an indirect wholly-owned subsidiary of CAP established in the PRC
“WYT”	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability, the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897)
“WYT Group”	WYT and its subsidiaries
“WYT Independent Shareholders”	the WYT Shareholder(s) who is/are not required to abstain from voting on the resolution(s) to be proposed at the WYT SGM to approve the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement of Winning Rich

DEFINITIONS

“WYT SGM”	the special general meeting of WYT to be convened and held for the purpose of, among others, approving the Proposed Guarantee and the Revolving Loan Facility by WYT via Winning Rich
“WYT Shareholder(s)”	holder(s) of the WYT Shares
“WYT Shares”	the ordinary share(s) with a nominal value of HK\$0.01 each in the issued share capital of WYT
“%”	per cent.

LETTER FROM THE BOARD



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

Executive Directors:

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

Ms. Yau Yuk Yin (Deputy Chairman)

Ms. Stephanie

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors:

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

Mr. Siu Kam Chau

Mr. Chan Yung, GBS, JP

Head office and principal

place of business in Hong Kong:

Suite 3202, 32/F., Skyline Tower

39 Wang Kwong Road

Kowloon Bay

Kowloon

Hong Kong

7 June 2022

To the Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE
AND
(2) NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement dated 3 May 2022 jointly issued by the Company and WYT in relation to, among others, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

LETTER FROM THE BOARD

The provision of the Proposed Guarantee and the grant of the Revolving Loan Facility constitute connected transactions of the Company which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility by the Independent Shareholders by way of a poll.

The purpose of this circular is to provide you with, among other things, (a) further particulars of the Proposed Guarantee and the Revolving Loan Facility; (b) the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility; (c) a letter of advice of the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders; (d) a notice convening the SGM; and (e) other information as required by the Listing Rules.

PROVISION OF PROPOSED GUARANTEE

CAP and the Bank proposed to enter into the Proposed Bank Loan Agreement. Pursuant to the terms of the Proposed Bank Loan Agreement, WYT is required to enter into the Proposed Guarantee Agreement in favor of the Bank, according to which WYT would agree to guarantee all liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount of RMB300 million (in its HKD equivalent), any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement. No security over CAP's assets will be provided for the Proposed Guarantee.

The Company is seeking a prior mandate from the Independent Shareholders before WYT enters into the Proposed Guarantee Agreement.

The principal terms of the Proposed Guarantee Agreement are agreed as follows:

Parties: (1) WYT as guarantor; and

(2) the Bank as the beneficiary

Guaranteed obligations: All liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount, any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement

Term: The term of the Proposed Guarantee will commence on the date of the Proposed Guarantee Agreement and terminate upon expiry of three years after the full settlement of all obligations under the Proposed Bank Loan Agreement

LETTER FROM THE BOARD

We also set out below the principal terms of the Proposed Bank Loan Agreement as agreed by CAP and the Bank:

- Parties:**
- (1) CAP as borrower; and
 - (2) the Bank as the lender
- Principal amount:** RMB300 million (in its HKD equivalent)
- Purposes:**
- (i) Repayment of the outstanding indebtedness of CAP owed to Double Leads and Winning Rich; and/or
 - (ii) Early redemption of the Listed Bonds
- Drawdown period:** From the date of the Proposed Bank Loan Agreement to 30 June 2023
- Term of each drawdown:** No more than 36 months from the date of each drawdown provided that all amounts are due no later than the final maturity date (being 30 June 2026). The Proposed Bank Loan Agreement does not provide for the extension of the final maturity date
- Interest rates:** Applicable LIBOR/HIBOR/SOFR or term SOFR/other RFR overnight or term rates/other IBOR, plus certain percentage points, to be determined at the time of each drawdown, provided that the actual interest rate and the rate of any financing fees payable by CAP under the Proposed Bank Loan Agreement shall not exceed 2% per annum in total, which is payable on a quarterly basis
- Conditions precedent:** The Proposed Bank Loan Agreement and each drawdown are subject to certain customary conditions precedent, including without limitation the entering into the Proposed Guarantee Agreement by and between WYT as the guarantor and the Bank as the beneficiary
- The Proposed Bank Loan will also be guaranteed by a letter of credit to be issued by an onshore affiliate of the Bank upon application by Wuhan Baisazhou Agricultural in favor of the Bank. Such a letter of credit would in turn be secured by (i) a joint guarantee by Shenzhen Hongjin, Luoyang Hongjin and CAP, and (ii) a mortgage over Wuhan Baisazhou Agricultural's certain properties in the PRC with a total gross floor area of approximately 135,000 square meters and a market value of approximately RMB1,408 million per latest valuation report as at 30 September 2021. Wuhan Baisazhou Agricultural would pay an annual handling fee of 4% of the outstanding amount of the Proposed Bank Loan

LETTER FROM THE BOARD

Repayment:

The principal amount of the Proposed Bank Loan is repayable by installments semi-annually and twice a year, with the first repayment amount being 20% of the principal due for the year, and the second repayment amount being 80% of the principal due for the year. The total principal amount due in the first, second and third year shall be 20%, 37% and 43% of the initial principal amount, respectively

Following the repayments of the principal amount of the Proposed Bank Loan as disclosed above, the guaranteed obligation of WYT under the Proposed Guarantee Agreement will decrease over the term of the Proposed Bank Loan accordingly. Therefore the maximum amount of WYT's guaranteed obligation is expected to be at the end of the first six months after the drawdown, where CAP defaults in the repayment of both the quarterly interest of RMB1.5 million and the principal amount of RMB12 million (collectively, the "**Default Amount**"). Assuming that (i) CAP drawdowns the principal amount of RMB300 million (in its HKD equivalent) on the first day of the drawdown period; and (ii) it takes as long as 90 days after date of CAP's default for WYT to fully discharge its guaranteed obligation (the "**Default Period**") (which has taken into account a prudent estimate of the time that may be required for WYT to obtain the external financing (where required)), the maximum amount of WYT's guaranteed obligation under the Proposed Guarantee Agreement would be approximately RMB303,020,000 (in its HKD equivalent), which comprises (i) RMB300 million, being the principal amount of the Bank Loan; (ii) RMB1.5 million, being the three-month interest and finance fees payable on the RMB300 million principal amount, which is calculated at 2% per annum; (iii) approximately RMB100,000, being the default penalty, which is calculated at a default interest of 3% per annum on the Default Amount and for the Default Period; and (iv) approximately RMB1,420,000, being the interest and finance fees payable on the remaining principal amount of RMB288 million for the Default Period, which is calculated at 2% per annum.

GRANT OF REVOLVING LOAN FACILITY

Reference is made to the joint announcement dated 26 September 2019 of, among others, the Company, WYT and CAP in relation to, among others, the Existing Loan Agreement between CAP, Double Leads and Winning Rich, pursuant to which Double Leads and Winning Rich agreed to grant the Existing Loan to CAP in the aggregate principal amount of HK\$710 million for the purpose of refinancing the then outstanding indebtedness of CAP owed to Double Leads and Winning Rich under the 2019 Bonds.

The Existing Loan will be due on 25 September 2022. As of the Latest Practicable Date, the outstanding principal amount of the Existing Loan is HK\$576 million, out of which HK\$70 million and HK\$506 million are owed to Double Leads and Winning Rich, respectively.

On 3 May 2022, CAP, Double Leads and Winning Rich entered into the Revolving Loan Facility Agreement, pursuant to which each of Double Leads and Winning Rich agreed to grant the Revolving Loan Facility in an aggregate amount of HK\$576 million to CAP for a term of five years ending 2 May 2027 for the purpose of refinancing the Existing Loan.

LETTER FROM THE BOARD

The principal terms of the Revolving Loan Facility Agreement are summarized as follows:

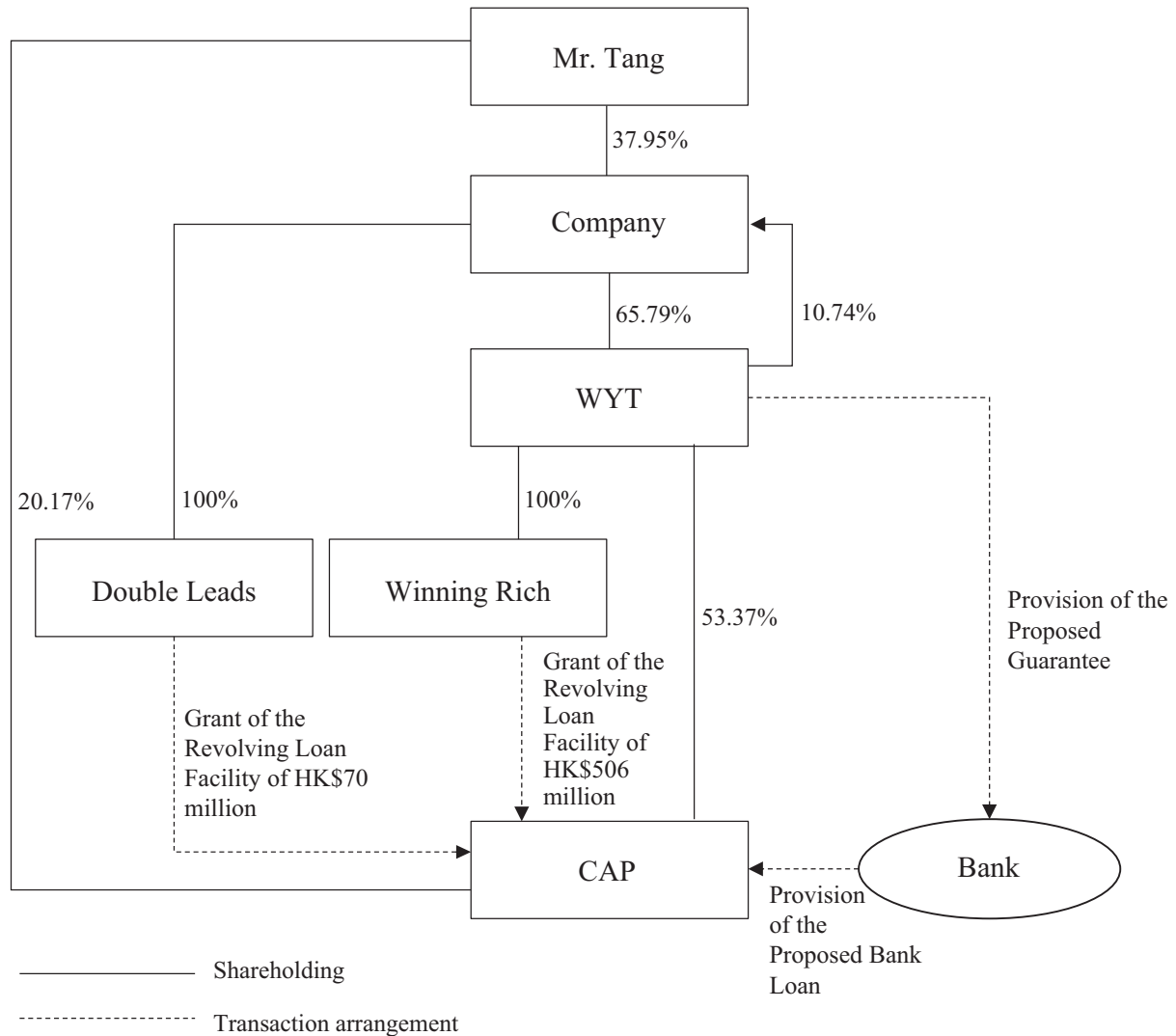
- Date:** 3 May 2022
- Parties:**
- (1) CAP as the borrower;
 - (2) Double Leads as the lender; and
 - (3) Winning Rich as the lender
- Available amount and commitment composition:** HK\$576 million, of which HK\$70 million and HK\$506 million will be provided by Double Leads and Winning Rich, respectively
- Term:** Five (5) years
- Purpose:** Refinancing the outstanding indebtedness of CAP owed to Double Leads and Winning Rich under the Existing Loan Agreement
- Interest:** 10% per annum on the outstanding indebtedness and payable on a semi-annual basis commencing from the date of the Revolving Loan Facility Agreement or on such other date as agreed by CAP, Double Leads and Winning Rich
- Repayment:** The full principal amount and all outstanding interest thereon (if any) shall be repaid not later than the repayment date (being 2 May 2027). CAP may repay any part of the loan which is a multiple of HK\$500,000 at any time on any Business Day without penalty either in one lump sum or by instalments (each being not less than HK\$500,000) with a three-day prior notice
- Conditions precedent:** The grant of the Revolving Loan Facility is conditional upon (i) the WYT Independent Shareholders having passed the ordinary resolution(s) at a general meeting of WYT to approve the grant of the Revolving Loan Facility by Winning Rich; and (ii) the Independent Shareholders having passed the ordinary resolution(s) at a general meeting of the Company to approve the grant of the Revolving Loan Facility
- Re-borrowing:** CAP may during the term re-borrow in whole or in part of the amount that has been repaid in accordance with the terms and conditions of the Revolving Loan Facility Agreement provided that, among others, the amount re-borrowed does not exceed the available amount of HK\$576 million and in compliance with the commitment composition. For avoidance of doubt, the maximum outstanding amount of the Revolving Loan Facility will be capped at HK\$576 million at all times

LETTER FROM THE BOARD

Assignment and transfer: Double Leads and Winning Rich may respectively assign any or all of their rights or transfer by novation any or all of their rights and obligations (whether in full or a part thereof, and whether in one time or through several times) under the Revolving Loan Facility Agreement to another subsidiary or subsidiaries of the Company or WYT (where applicable). The consent of CAP is not required for such assignment or transfer

TRANSACTION STRUCTURE

We set out below a simplified chart of the Company, WYT and CAP illustrating their shareholding structure and the arrangements of the transactions contemplated under the Proposed Bank Loan Agreement, the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement.



LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF PROVISION OF THE PROPOSED GUARANTEE AND THE GRANT OF THE REVOLVING LOAN FACILITY

CAP is a 53.37%-owned subsidiary of WYT. In view of the funding need of CAP (particularly taking into account the funding needs for the repayment of the Existing Loan and the early redemption of the Listed Bonds), the Directors consider that it is in the interests of the Shareholders to continue to provide financial support to CAP with an aim to generate return to the Shareholders in the long run.

In particular, WYT is requested by the Bank to provide the Proposed Guarantee for the Proposed Bank Loan to CAP. Part of the Proposed Bank Loan is expected to be utilized as repayment of part of the Existing Loan owed to Double Leads and/or Winning Rich. As such, the Directors consider that the provision of the Proposed Guarantee will benefit the Company in terms of loan recovery as well as cash flow position enhancement.

The grant of the Revolving Loan Facility is expected to continue to generate a high return to the Shareholders. In addition, given that neither Double Leads nor Winning Rich is required to provide any additional funding to CAP pursuant to the grant of the Revolving Loan Facility, the grant of the Revolving Loan Facility would not have any impact on the cash flow or cash position of Double Leads or Winning Rich.

The Board (including the independent non-executive Directors) is of the view that the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement are in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP, THE WYT GROUP, THE CAP GROUP AND THE BANK

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 WOP, its 75%-owned listed subsidiary; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, its 65.79%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed subsidiary of WYT. The Company is ultimately owned by Mr. Tang as to approximately 48.69% based on the disclosure of interest notice filed by Mr. Tang pursuant to the SFO.

LETTER FROM THE BOARD

The WYT Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of “Wai Yuen Tong”, mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of “Madame Pearl’s” and “Pearl’s”; (iii) property investment; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed subsidiary of WYT. WYT is held by the Group as to approximately 65.79%.

The CAP Group is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in the PRC. CAP is held by the WYT Group as to approximately 53.37% and is separately held by a company indirectly wholly-owned by Mr. Tang as to approximately 20.17%.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Bank is primarily engaged in the provision of banking services in the PRC; and (ii) the Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

LISTING RULES IMPLICATIONS

CAP is a non wholly-owned subsidiary of WYT which is in turn a non wholly-owned subsidiary of the Company. Therefore the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules. As Mr. Tang, an executive Director and a controlling Shareholder, holds approximately 20.17% interest in CAP, CAP is a connected subsidiary of the Company. Therefore the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility constitute connected transactions of the Company and are subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In view of Mr. Tang’s interest in CAP, Mr. Tang is considered to have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility. Accordingly, (i) Mr. Tang, (ii) Ms. Yau Yuk Yin, an executive Director and Mr. Tang’s spouse and hence an associate of Mr. Tang, and (iii) Ms. Stephanie, an executive Director and the daughter-in-law of Mr. Tang and hence an associate of Mr. Tang, have abstained from voting on the Board resolution(s) approving the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

As of the Latest Practicable Date, CAP, WYT and the Bank have not entered into the Proposed Bank Loan Agreement or the Proposed Guarantee Agreement (where applicable). The Company is seeking a prior mandate from the Independent Shareholders before the relevant parties enter into the Proposed Bank Loan Agreement and the Proposed Guarantee Agreement.

LETTER FROM THE BOARD

The Shareholders who have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility and their respective close associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the SGM. In view of Mr. Tang's interest in CAP, Mr. Tang is considered to have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility which is different from other Shareholders. Accordingly, Mr. Tang and his associates (including without limitation WYT) will abstain from voting on the relevant resolution(s) in relation to the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

As at the Latest Practicable Date, (i) Mr. Tang held 28,026,339 Shares, (ii) Ms. Yau Yuk Yin, being Mr. Tang's spouse and hence an associate of Mr. Tang, held 28,026,300 Shares, (iii) Caister Limited, Billion Trader Limited, Suntech Investments Limited and Hearty Limited, each being an associate of Mr. Tang, held 486,915,306 Shares, 531,000,000 Shares, 432,475,200 Shares and 1,284,273,800 Shares, respectively, and (iv) Accord Power Limited held 4,989,928,827 Shares for the Tang's Family Trust. Accordingly, Mr. Tang, Ms. Yau Yuk Yin, Caister Limited, Billion Trader Limited, Suntech Investments Limited, Hearty Limited, and Accord Power Limited will abstain from voting at the SGM in respect of 7,780,645,772 Shares, representing approximately 48.69% of the total issued Shares.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility and is required to abstain from voting at the SGM.

SPECIAL GENERAL MEETING

The SGM will be held for the purpose of considering and, if thought fit, approving, among other things, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility by the Independent Shareholders by way of a poll.

A notice convening the SGM at which ordinary resolution(s) will be proposed to the Independent Shareholders to consider and, if thought fit, approve, among other things, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility, is contained on pages SGM-1 to SGM-3 of this circular.

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

LETTER FROM THE BOARD

RECOMMENDATION

Your attention is drawn to:

- (a) the letter from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular; and
- (b) the letter from the Independent Financial Advisor to advise the Independent Shareholders and the Independent Board Committee with respect to the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility, the text of which is set out on pages 19 to 40 of this circular.

The Independent Shareholders are advised to read the aforesaid letters before deciding how to vote at the SGM.

The Independent Board Committee, having taken into account the advice of the Independent Financial Advisor, considers that (i) the provision of the Proposed Guarantee, though not in the ordinary and usual course of business of the Group, is on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and (ii) the grant of the Revolving Loan Facility is in the ordinary and usual course of business of the Group and on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

For the reasons set out above, the Directors (including the independent non-executive Directors) consider that the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement, though not in the ordinary and usual course of business of the Group, are on normal commercial terms and fair and reasonable so far as each of the Company and the Shareholders are concerned and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms and fair and reasonable so far as each of the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors would recommend the Shareholders to vote in favour of the resolution(s) at the SGM for the approval of the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

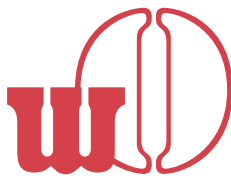
LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

7 June 2022

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

We refer to the circular of the Company dated 7 June 2022 (the “**Circular**”) of which this letter forms part. Unless specified otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board to form the Independent Board Committee to consider, and advise you on, the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement. Merdeka Corporate Finance Limited has been appointed as the Independent Financial Advisor to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving their advice, are set out on pages 19 to 40 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

Having considered the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement and taking into account the independent advice of the Independent Financial Advisor set out in its letter on pages 19 to 40 of the Circular and the relevant information contained in the letter from the Board, we consider that the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement, though not in the ordinary and usual course of business of the Group, are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we, representing the Independent Board Committee, recommend that you vote in favour of the ordinary resolution(s) to be proposed at the SGM in relation to the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

Yours faithfully,
Independent Board Committee
Wong Chun, Justein
Siu Kam Chau
Chan Yung
Independent non-executive Directors

** For identification purpose only*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR



Room 1108-1110, 11/F
Wing On Centre
111 Connaught Road Central
Hong Kong

7 June 2022

*To: The Independent Board Committee and the Independent Shareholders of
Wang On Group Limited*

Dear Sirs/Madams,

CONNECTED TRANSACTION IN RELATION TO THE PROVISION OF FINANCIAL ASSISTANCE

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the terms and conditions of the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular of the Company dated 7 June 2022 (the “**Circular**”) to the Shareholders, of which this letter forms part. Terms used herein have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the joint announcement dated 3 May 2022 of the Company and WYT (the “**Announcement**”) in relation to provision of the Proposed Guarantee and grant of the Revolving Loan Facility (collectively, the “**Transactions**”). As at the Latest Practicable Date, the Company held approximately 65.79% of the total issued share capital of WYT, and WYT held approximately 53.37% of the total issued share capital of CAP. Therefore, CAP is a non wholly-owned subsidiary of the Group.

On 3 May 2022, the Company and WYT jointly announced that CAP and the Bank proposed to enter into the Proposed Bank Loan Agreement. Pursuant to the terms of the Proposed Bank Loan Agreement, WYT is required to enter into the Proposed Guarantee Agreement in favor of the Bank, according to which WYT would agree to guarantee all liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount of RMB300 million (in its HKD equivalent), any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement. No security over CAP’s assets will be provided for the Proposed Guarantee. As set out in the Board Letter, as of the Latest Practicable Date, CAP, WYT and the Bank have not entered into the Proposed Bank Loan Agreement or the Proposed Guarantee Agreement (where applicable). The Company is seeking a prior mandate from the Independent Shareholders before the relevant parties enter into the Proposed Bank Loan Agreement and the Proposed Guarantee Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

On 3 May 2022, CAP (as the borrower), Double Leads (an indirect wholly-owned subsidiary of the Group, as the lender) and Winning Rich (an indirect wholly-owned subsidiary of the WYT Group, as the lender) entered into the Revolving Loan Facility Agreement, pursuant to which each of Double Leads and Winning Rich agreed to grant the Revolving Loan Facility in an aggregate principal amount of HK\$576 million to CAP for a term of five years ending 2 May 2027 for the purpose of refinancing the Existing Loan.

CAP is a non wholly-owned subsidiary of WYT which is in turn a non wholly-owned subsidiary of the Company. Therefore, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility do not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules. As Mr. Tang, an executive director and a controlling shareholder of the Company, holds approximately 20.17% interest in CAP, CAP is a connected subsidiary of the Company. Therefore, the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility constitute connected transactions of the Company and are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of Mr. Tang's interest in CAP, Mr. Tang is considered to have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility. Accordingly, (i) Mr. Tang, (ii) Ms. Yau Yuk Yin, an executive Director and Mr. Tang's spouse and hence an associate of Mr. Tang, and (iii) Ms. Stephanie, an executive Director and the daughter-in-law of Mr. Tang and hence an associate of Mr. Tang, have abstained from voting on the Board resolution(s) approving the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

Shareholders who have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility and their respective close associates (as defined in the Listing Rules) are required to abstain from voting on the relevant resolution(s) at the SGM. In view of Mr. Tang's interest in CAP, Mr. Tang is considered to have a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility which is different from other Shareholders. Accordingly, Mr. Tang and his associates (including without limitation WYT) will abstain from voting on the relevant resolution(s) in relation to the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility.

As at the Latest Practicable Date, (i) Mr. Tang held 28,026,339 Shares, (ii) Ms. Yau Yuk Yin, being Mr. Tang's spouse and hence an associate of Mr. Tang, held 28,026,300 Shares, (iii) Caister Limited, Billion Trader Limited, Suntech Investments Limited and Hearty Limited, each being an associate of Mr. Tang, held 486,915,306 Shares, 531,000,000 Shares, 432,475,200 Shares and 1,284,273,800 Shares, respectively, and (iv) Accord Power Limited held 4,989,928,827 Shares for the Tang's Family Trust. Accordingly, Mr. Tang, Ms. Yau Yuk Yin, Caister Limited, Billion Trader Limited, Suntech Investments Limited, Hearty Limited, and Accord Power Limited will abstain from voting at the SGM in respect of 7,780,645,772 Shares, representing approximately 48.69% of the total issued Shares. To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, save as disclosed above, no other Shareholder has a material interest in the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility and is required to abstain from voting at the SGM.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau and Mr. Chan Yung, has been established to advise and provide recommendations to the Independent Shareholders on the terms and conditions of the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement and the Transactions and to advise the Independent Shareholders on how to vote. We, Merdeka Corporate Finance Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms and conditions of the Transactions are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

OUR INDEPENDENCE

During the past two years, we were engaged as an independent financial adviser to the Company in respect of possible discloseable and connected transactions, details of which are set out in the circular of the Company dated 24 July 2020 (the “**Previous Engagement**”). Apart from normal professional fees payable to us by the Company in connection with the Previous Engagement and the engagement to act as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees and/or benefits from the Group. As at the Latest Practicable Date, we did not have any relationship with or interest in the Group and any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we are independent under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the Transactions.

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have considered, among other things, (i) the Proposed Bank Loan Agreement and the Proposed Guarantee Agreement; (ii) the Revolving Loan Facility Agreement and the Existing Loan Agreement; (iii) the financial information of each of the Company and WYT for the years ended 31 March 2020 and 2021 and for the six months ended 30 September 2020 and 2021; (iv) the financial information of CAP for the fifteen months from 1 January 2019 to 31 March 2020 and the year ended 31 March 2021, and for the six months ended 30 September 2020 and 2021; (v) other relevant information as set out in the Circular; and (vi) other relevant public information. We have also relied on all relevant information, opinions and facts supplied and represented by the Company and the management of the Company (the “**Management**”). We have assumed that all such information, opinions, facts and representations contained or referred to in the Circular, for which the Company is fully responsible, were true and accurate in all material respects as at the date hereof and may be relied upon. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, and the Company has confirmed that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement therein misleading.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out independent verification of the information provided by the Directors, the Management and the representatives of the Company, nor have we conducted any form of in-depth investigation into the businesses, affairs, operations, financial position or future prospects of the Company or any of its subsidiaries.

This letter is issued to provide the information for the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the Transactions. Except for its inclusion in the Circular, this letter is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent. Our opinion is based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement and the transactions contemplated thereunder, we have taken into account the following principal factors and reasons:

1. Background information of the parties involved

1.1 *The Group*

Information on the Group and the Company

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 WOP, its 75%-owned listed subsidiary; (iii) manufacturing and/or retailing of pharmaceutical and health food products through WYT, its 65.79%-owned listed subsidiary; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed subsidiary of WYT.

The Company is ultimately owned by Mr. Tang as to approximately 48.69% based on the disclosure of interest notice filed by Mr. Tang pursuant to the SFO.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Historical financial performance of the Group

We have set out the key financial information of the Group for (i) the years ended 31 March 2020 and 2021 as extracted from the annual report of the Company for the year ended 31 March 2021 (the “**WOG Annual Report**”); and (ii) the six months ended 30 September 2020 and 2021 as extracted from the interim report of the Company for the six months ended 30 September 2021 (the “**WOG Interim Report**”) as below:

Consolidated statements of profit or loss

	For the year ended		For the six months ended	
	31 March		30 September	
	2021	2020	2021	2020
	<i>Audited</i>	<i>Restated and Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total Revenue	1,893,585	3,440,723	892,128	987,883
Gross profit	757,941	1,610,988	461,939	497,083
Profit for the year/period attributable to owners of the parent	123,884	474,860	46,494	102,911

Consolidated statement of financial position

	As at	As at
	30 September	31 March
	2021	2021
	<i>Unaudited</i>	<i>Audited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	10,719,250	10,748,136
Current assets	10,030,276	9,697,773
Non-current liabilities	5,573,568	5,033,386
Current liabilities	5,189,622	5,443,542
Net assets	9,986,336	9,968,981
Equity attributable to owners of the parent	6,406,018	6,438,057

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As illustrated above, the Group's revenue decreased from approximately HK\$3,440.7 million for the year ended 31 March 2020 to approximately HK\$1,893.6 million for the year ended 31 March 2021, representing a decrease of approximately 45.0%. We noted that the reduction in revenue was mainly due to the decrease in property sales contributed from property development projects with controlling stake. We also noted that the Group recorded profit attributable to owners of the parent was approximately HK\$123.9 million for the year ended 31 March 2021, which was reduced approximately 73.9% from that in the corresponding period in the previous year (i.e. a restated profit of approximately HK\$474.9 million for the year ended 31 March 2020). As disclosed in the WOG Annual Report, the decrease in profit was mainly due to the absence of the gain on bargain purchase arising from the acquisition of a controlling interest in CAP and the decrease in gain on disposal/redemption of debt investments at fair value through other comprehensive income.

For the six months ended 30 September 2021, the Group's revenue and profit attributable to owners of the parent amounted to approximately HK\$892.1 million and approximately HK\$46.5 million respectively, compared to approximately HK\$987.9 million and HK\$102.9 million for the corresponding period in 2020. We noted from the WOG Interim Report that the reduction in profit was mainly due to, among others, the losses on disposal of debts instruments at fair value through other comprehensive income and increase in impairment losses of debts instruments at fair value through other comprehensive income.

As at 30 September 2021, the Group's net assets were HK\$9,986.3 million. Its cash resources amounted to HK\$2,192.8 million including cash and bank balances of HK\$1,596.1 million and short-term investments of HK\$596.7 million.

1.2 The WYT Group

Information on the WYT Group

The WYT Group is principally engaged in (i) the manufacturing and retailing of traditional Chinese pharmaceutical and health food products, including Chinese medicinal products sold under the brand name of "Wai Yuen Tong", mainly in the PRC and Hong Kong; (ii) the manufacturing and sale of Western pharmaceutical and health food and personal care products under the brand names of "Madame Pearl's" and "Pearl's"; (iii) property investment; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, a 53.37%-owned listed subsidiary of WYT. As at the Latest Practicable Date, WYT is held by the Group as to approximately 65.79%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Historical financial performance of the WYT Group

We have set out the key financial information of the WYT Group for (i) the years ended 31 March 2020 and 2021 as extracted from the annual report of WYT for the year ended 31 March 2021 (the “**WYT Annual Report**”); and (ii) the six months ended 30 September 2020 and 2021 as extracted from the interim report of WYT for the six months ended 30 September 2021 (the “**WYT Interim Report**”) as below:

Consolidated statements of profit or loss

	For the year ended 31 March		For the six months ended 30 September	
	2021	2020	2021	2020
	<i>Audited</i>	<i>Restated and Audited</i>	<i>Unaudited</i>	<i>Restated and Unaudited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	1,108,565	620,741	656,082	509,542
Gross profit	445,282	281,576	275,213	172,584
Profit/(Loss) for the year/period attributable to owners of the parent	(375,995)	438,548	14,109	(226,920)

Consolidated statement of financial position

	As at 30 September 2021	As at 31 March 2021
	<i>Unaudited</i>	<i>Audited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	4,752,322	4,730,779
Current assets	3,280,459	3,233,747
Non-current liabilities	1,628,118	1,642,782
Current liabilities	2,365,572	2,371,395
Net assets	4,039,091	3,950,349
Equity attributable to owners of the parent	2,628,361	2,565,325

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

As illustrated above, total revenue of the WYT Group increased by approximately 78.6% to approximately HK\$1,108.6 million for the year ended 31 March 2021. Such increase is mainly due to the consolidation of revenue from management and sale of properties in agricultural produce exchange markets of the CAP Group into the WYT Group subsequent to the WYT Group's acquisition of CAP in the year of 2020. We also noted from the WYT Annual Report that the WYT Group recorded a loss attributable to owners of the parent amounting to approximately HK\$376.0 million for the year ended 31 March 2021 in comparison to a profit of approximately HK\$438.5 million for the corresponding period in the previous year, which was mainly due to, among other things, (i) the loss resulted from the disposal of the WYT Group's investment in Easy One Financial Group Limited; (ii) absence of gain on disposal of items of property, plant and equipment and an investment property; and (iii) absence of gain on bargain purchase arising from acquisition of equity interest in CAP.

For the six months ended 30 September 2021, the WYT Group recorded an approximately 28.8% increase in revenue to approximately HK\$656.1 million in comparison to approximately HK\$509.5 million for the corresponding period in 2020. The strict anti-pandemic measures in the PRC, Hong Kong and Macau brought the COVID-19 under control. As a result, economic activities recovered gradually and the labour market continued to improve. In addition, the WYT Group recorded a profit attributable to owners of the parent amounting to approximately HK\$14.1 million comparing to a loss of approximately HK\$226.9 million for 2020. We noted from the WYT Interim Report and as advised by the Management, such turnaround from loss to profit was mainly attributable to the combined effect of (i) the absence of impairment of the WYT Group's investment in Easy One Financial Group Limited and (ii) the increase in revenue mainly contributed from the CAP Group.

As noted from the WYT Interim Report and as advised by the Management, as at 30 September 2021, the net asset value of the WYT Group was approximately HK\$4,039.1 million. Its cash resources amounted to approximately HK\$779.1 million including cash and bank balances of approximately HK\$567.8 million and short-term investments of approximately HK\$211.3 million.

1.3 The CAP Group

Information on the CAP Group

The CAP Group is principally engaged in the business of management and sale of properties in agricultural produce exchange markets in the PRC. CAP is held by the WYT Group as to approximately 53.37% and is separately held by a company wholly-owned by Mr. Tang as to approximately 20.17%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

Historical financial performance of the CAP Group

We have set out the key financial information of the CAP Group for (i) the period for the fifteen months from 1 January 2019 to 31 March 2020 (the “**Period**”) and the year ended 31 March 2021 as extracted from the annual report of CAP for the year ended 31 March 2021 (the “**CAP Annual Report**”); and (ii) the six months ended 30 September 2020 and 2021 as extracted from the interim report of CAP for the six months ended 30 September 2021 (the “**CAP Interim Report**”) as below:

Consolidated statements of profit or loss

	For the year ended 31 March 2021	Fifteen months from 1 January 2019 to 31 March 2020	For the six months ended 30 September	
	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	650,529	1,091,437	411,791	292,413
Gross profit	351,808	538,954	227,902	150,633
Profit/(Loss) for the year/period attributable to owners of the parent	489,602	5,880	18,294	(22,567)

Consolidated statement of financial position

	As at 30 September 2021	As at 31 March 2021
	<i>Unaudited</i>	<i>Audited</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	3,207,298	3,146,155
Current assets	2,444,678	2,438,088
Non-current liabilities	1,078,728	1,596,284
Current liabilities	2,277,902	1,782,106
Net assets	2,295,346	2,205,853
Equity attributable to owners of the parent	1,896,917	1,808,148

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

We noted from the CAP Annual Report that the CAP Group recorded a turnover of approximately HK\$650.5 million for the year ended 31 March 2021, representing a decrease of approximately 40.4% as compared to approximately HK\$1,091.4 million of the Period, which was mainly due to the decrease in property sales recognition and the extra three months of reporting data for the Period. The profit attributable to owners of CAP for the year ended 31 March 2021 was approximately HK\$489.6 million as compared to the profit of approximately HK\$5.9 million in the Period. We noted that such increase was mainly due to, among others, gain on litigation judgment resulting from the verdict of Wuhan market legal case and a decrease in finance costs by early repayment of convertible notes by CAP during the financial year of 2021 and decrease in interest-bearing debt as compared to the Period.

For the six months ended 30 September 2021, the CAP Group recorded a turnover of approximately HK\$411.8 million, representing an increase approximately 40.8% from approximately HK\$292.4 million for the six months period ended 30 September 2020 as both the revenue from property sales and the revenue from agricultural produce exchange market operations were higher than that of the corresponding period in 2020. The profit attributable to owners of CAP for the six months ended 30 September 2021 was approximately HK\$18.3 million as compared with the loss of approximately HK\$22.6 million in the 2020. As disclosed in the CAP Interim Report, such turnaround was mainly due to, among others, the increase in revenue from sales of properties and agricultural produce exchange market operation.

As at 30 September 2021, the CAP Group had total cash and cash equivalents amounting to approximately HK\$442.3 million whilst total assets and net assets were approximately HK\$5,652.0 million and approximately HK\$2,295.3 million, respectively.

1.4 The Bank

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, (i) the Bank is primarily engaged in the provision of banking services in the PRC; and (ii) the Bank and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons as defined under the Listing Rules.

For the further details regarding the Transactions' structure, please refer to the section headed "TRANSACTION STRUCTURE" in the Board Letter.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISOR

2. Reasons for and benefits of the Transactions

As set out in the Board Letter, CAP is a 53.37%-owned subsidiary of WYT and WYT is a 65.79%-owned subsidiary of the Company. In view of the funding need of CAP (particularly taking into account the funding needs for the repayment of the Existing Loan and the early redemption of the Listed Bonds), the Directors consider that it is in the interests of the Shareholders to continue to provide financial support to CAP by WYT with an aim to generate return to the Shareholders in the long run.

In particular, WYT is requested by the Bank to provide the Proposed Guarantee for the Proposed Bank Loan to CAP. Part of the Proposed Bank Loan is expected to be utilized as repayment of part of the Existing Loan owed to Double Leads and/or Winning Rich. As such, the Directors consider that the provision of the Proposed Guarantee will benefit the Company in terms of loan recovery as well as cash flow position enhancement.

The grant of the Revolving Loan Facility is expected to continue to generate a high return to the Shareholders. In addition, given that neither Double Leads nor Winning Rich is required to provide any additional funding to CAP pursuant to the grant of the Revolving Loan Facility, the grant of the Revolving Loan Facility would not have any impact on the cash flow or cash position of Double Leads and Winning Rich.

As the Proposed Guarantee is prerequisite by the Bank for the grant of the Proposed Bank Loan, part of which is expected to be utilized as repayment of part of the Existing Loan and/or early redemption of the Listed Bonds, we thereby obtained and reviewed the Existing Loan Agreement and the offer document of the Listed Bonds. Based on the documents available to us and our discussion with the Management, we noted that (i) the outstanding principal amount of the Existing Loan was approximately HK\$576.0 million as at the Latest Practicable Date which will be due on 25 September 2022, with an interest rate of 10% per annum; and (ii) the carry amount of the Listed Bonds was approximately HK\$220.0 million as at the Latest Practicable Date, with an effective interest rate of approximately 11.6% per annum, which takes into account the effects of compounding over time. Given (i) the Existing Loan owed to Double Leads and/or Winning Rich will be due in upcoming few months; and (ii) Double Leads is a wholly owned subsidiary of the Company and Winning Rich is an indirectly non-wholly owned subsidiary of the Company, we consider the repayment to the Existing Loan by part of the Proposed Bank Loan to be granted under the provision of the Proposed Guarantee would provide cash inflow to the Company, and thereby concur with the Directors' view that the provision of the Proposed Guarantee will benefit the Company in terms of loan recovery as well as cash flow position enhancement. In addition, as the interest rate under the Proposed Bank Loan is lower than the effective interest rate of the Listed Bonds of approximately 11.6%, we consider the provision of the Proposed Guarantee would enable CAP to reduce interest expense incurred by the Listed Bonds by early redemption. The Management further advised that it is a common practice for commercial banks or any third-party financial institutions in the PRC, as a condition for the provision of loan facilities or financing, to require the borrower entity's key stakeholders and beneficial owners in particular those with solid financial background to provide a guarantee and/or security, which is also in line with our understanding. Based on the above, we concur with the Directors' view that provision of the Proposed Guarantee would be able to generate return to the Shareholders in the long run.

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Regarding the provision of the Revolving Loan Facility, we made enquiries with the Management as to whether the Group has considered other form of investments except for the provision of the Revolving Loan Facility. As understood from the Management, the Group has assessed different investment options to fully utilise the existing cash resources in order to enhance the return to the Company and the Shareholders as a whole, including but not limited to deposits in bank as well as bond or stocks investments. In relation to deposits in bank, we were advised that the Group do not have fixed time deposits currently and the favorable interest rate of saving deposits of the Group as quoted by banks normally ranges from around 0.4% to 0.5% per annum from time to time. We have also performed online checking on the time deposit rates for a 12-month term from five banks, including HSBC, Standard Chartered Bank (HK) Limited, Bank of China (Hong Kong) Limited, Public Bank (Hong Kong) Limited and China Construction Bank (Asia) Corporation Limited, and noted that the rates range from 0.05% to 1.50% per annum, which is notably lower than the interest rate of 10% under the Revolving Loan Facility. Based on the aforesaid, we concur with the Management's view that despite the credit risk of the provision of the Revolving Loan Facility to CAP may not be comparable with that of offer rates with commercial banks, such deposit interest rates were much lower than the interest rates under the Revolving Loan Facility. Regarding bond or stocks investments, the Management advised the average return for the Group's bonds and stocks investments for past three financial years is lower than the interest rate of 10% under the Revolving Loan Facility Agreement. On the other hand, we noted from the breakdown of the Company's borrowings that the interest cost of the Group is lower than the interest rate of 10% under the Revolving Loan Facility Agreement. Given that the Revolving Loan Facility's interest rate is higher than the interest rate received by the Group by making cash deposits with commercial banks as well as the interest cost of the Group, and the interest income contributed by the Revolving Loan Facility would be more stable than return from bond or stocks investments, we consider the grant of the Revolving Loan Facility is expected to continue to generate high return to the Shareholders.

In connection of the above, we concur with the Directors' view that the terms of (i) the Proposed Guarantee and the Proposed Guarantee Agreement; and (ii) the grant of the Revolving Loan Facility and the Revolving Loan Facility Agreement are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement are in the interests of the Company and the Shareholders as a whole.

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3. The Proposed Bank Loan Agreement

The table below summarises the principal terms of the Proposed Guarantee Agreement and the Proposed Bank Loan Agreement, details of which are set out under the sections headed “PROVISION OF PROPOSED GUARANTEE” of the Board Letter:

Principal terms of the Proposed Guarantee Agreement

Parties:	(1) WYT as guarantor; and (2) the Bank as the beneficiary
Guaranteed obligations:	All liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount, any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement
Term:	The term of the Proposed Guarantee will commence on the date of the Proposed Guarantee Agreement and terminate upon expiry of three years after the full settlement of all obligations under the Proposed Bank Loan Agreement

Principal terms of the Proposed Bank Loan Agreement

Parties:	(1) CAP as borrower; and (2) the Bank as the lender
Principal amount:	RMB300 million (in its HKD equivalent)
Purposes:	(i) Repayment of the outstanding indebtedness of CAP owed to Double Leads and Winning Rich; and/or (ii) Early redemption of the Listed Bonds
Drawdown period:	From the date of the Proposed Bank Loan Agreement to 30 June 2023
Term of each drawdown:	No more than 36 months from the date of each drawdown provided that all amounts are due no later than the final maturity date (being 30 June 2026). The Proposed Bank Loan Agreement does not provide for the extension of the final maturity date

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Interest rates: Applicable LIBOR/HIBOR/SOFR or term SOFR/other RFR overnight or term rates/other IBOR, plus certain percentage points, to be determined at the time of each drawdown, provided that the actual interest rate and the rate of any financing fees payable by CAP under the Proposed Bank Loan Agreement shall not exceed 2% per annum in total, which is payable on a quarterly basis

Conditions precedent: The Proposed Bank Loan Agreement and each drawdown are subject to certain customary conditions precedent, including without limitation the entering into the Proposed Guarantee Agreement by and between WYT as the guarantor and the Bank as the beneficiary

The Proposed Bank Loan will also be guaranteed by a letter of credit to be issued by an onshore affiliate of the Bank upon application by Wuhan Baisazhou Agricultural in favor of the Bank. Such a letter of credit is in turn secured by (i) a joint guarantee by Shenzhen Hongjin, Luoyang Hongjin and CAP (the “**CAP Group Guarantee**”), and (ii) a mortgage over Wuhan Baisazhou Agricultural’s certain properties in the PRC with a total gross floor area of approximately 135,000 square meters and a market value of approximately RMB1,408 million per latest valuation report as at 30 September 2021 (the “**CAP Pledged Properties**”). Wuhan Baisazhou Agricultural would pay an annual handling fee of 4% of the outstanding amount of the Proposed Bank Loan

Repayment: The principal amount of the Proposed Bank Loan is repayable by instalments semi-annually and twice a year, with the first repayment amount being 20% of the principal due for the year, and the second repayment amount being 80% of the principal due for the year. The total principal amount due in the first, second and third year shall be 20%, 37% and 43% of the initial principal amount, respectively

Under the Proposed Guarantee Agreement, WYT will unconditionally and irrevocably guarantee to the Bank all liabilities of CAP to be owed to the Bank under the Proposed Bank Loan Agreement, including the principal amount, any interest, penalty, compound interest, damages and other expenses of the Bank in enforcing the Proposed Bank Loan Agreement (collectively, the “**WYT Guaranteed Amount**”). As understood from the Board Letter, the WYT Guaranteed Amount will decrease over the term of the Proposed Bank Loan following the repayments of principal amount, and the maximum WYT Guaranteed Amount is expected to be for the first six months after the drawdown and before any repayment of the principal amount. In the unlikely event that CAP defaults under the Proposed Bank Loan Agreement, the maximum WYT Guaranteed Amount would be approximately RMB303.0 million (or in its

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HKD equivalent) assuming that (i) CAP drawdowns the principal amount of RMB300 million (in its HKD equivalent) on the first day of the drawdown period; and (ii) it takes as long as 90 days after date of CAP's default for WYT to fully discharge its guaranteed obligation.

Apart from the above Proposed Guarantee, the Proposed Bank Loan will also be guaranteed by a letter of credit to be issued by an onshore affiliate of the Bank that is in turn secured by (a) the CAP Group Guarantee, and (b) the CAP Pledged Properties that are held by a wholly owned subsidiary of CAP (i.e. Wuhan Baisazhou Agricultural). Further details of the Proposed Guarantee Agreement are set out in the Board Letter.

Analysis on the Proposed Guarantee

With a view to assess the fairness and reasonableness of the Proposed Guarantee, we have reviewed and analysed, among others, the sufficiency of the CAP Group's net asset value and fair value of the CAP Pledged Properties and the internal control of the Group, details of which are set out below.

(i) Sufficiency of CAP Group's assets

As advised by the Management, the Group has conducted due diligence and assessment on the repayment capability of the CAP Group, including the review of the net assets value of the CAP Group and its repayment history of the Existing Loan. According to the CAP Interim Report, the CAP Group recorded the unaudited consolidated net asset value as at 30 September 2021 of approximately HK\$2,295.3 million, consisting of, among others, investment properties of approximately HK\$3,135.1 million, bank and cash balances of approximately HK\$442.3 million and trade and other receivables of approximately HK\$278.4 million. Moreover, as set out in the Proposed Bank Loan Agreement, apart from the Proposed Guarantee, it is also prerequisite for the CAP Group to provide the CAP Pledged Properties to the Bank for the Proposed Bank Loan. As set out in the Board Letter and based on the document available to us, we noted the fair value of the CAP Pledged Properties was approximately RMB1,408.0 million as at 30 September 2021. We have also obtained and reviewed the CAP Group's latest management account and the CAP Group's cashflow forecast, and understood that the net asset of CAP Group would be sufficient to cover the Proposed Bank Loan. Based on the aforesaid, we considered the net asset value of the CAP Group and the fair value of the CAP Pledged Properties to be notably higher than the principal amount of the Proposed Bank Loan and the maximum WYT Guaranteed Amount. As further confirmed by the Management, the CAP Group has never defaulted on the repayments of any of its facilities since its establishment to their best knowledge and understanding.

As further referred to the CAP Interim Report, we understood agricultural development is the PRC central government's first priority policy for the next consecutive years, including promote investments in agricultural produce markets, expand agricultural produce network, build logistic infrastructure and storage facilities of agriculture products and improve regional cold storage infrastructure. It is expected that the CAP Group and its principal business would be able to benefit from opportunities created by the PRC central government's supportive policies in future.

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Having considered the aforesaid, we are not aware of information which suggests CAP would be unable to meet the relevant repayment obligations under the Proposed Bank Loan Agreement as and when the Proposed Bank Loan fall due.

(ii) Internal control of the Group

As disclosed in WOG Annual Report, the Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach in financial management. Financial resources are under close monitoring to ensure the Group's efficient and effective operation, as well as flexibility to respond to opportunities and uncertainties.

In order to follow the Group's financial risk control policy and monitor the CAP Group's default risk associated with the Proposed Bank Loan, the Management advised that the Group will adopt a series of risk control or internal control measures, including but not limited to, (i) CAP shall provide a written notice to WYT whenever it withdraws or utilises any proceeds to be received from the Proposed Bank Loan; (ii) CAP shall provide its quarterly reports about business performance, compliance, deposits and loans, and other services, and the financial statements (including profits and loss accounts and balance sheet) to the Company for review and continuous monitoring; and (iii) the management of the Company will also report the default risks and corporate governance risks in association with the CAP Group to the independent non-executive Directors during each of the audit committee meetings (if necessary).

As further advised by the Management, the provision of Guarantee will not have any immediate or direct impact on the cash flow of WYT or the Company. The Directors also confirmed that, after reasonable enquiries made to the CAP Group and based on information available as at the Latest Practicable Date, there are no indications that CAP will not be able to fulfil its payment obligations under the Proposed Bank Loan Agreement as and when they fall due.

Our view

Having considered that (i) the enhancement in cash flow position of the Company as discussed above; (ii) the expected reduce in interest expense to CAP by early redemption of the Listed Bonds which in turn will decrease the interest burden of the Group; (iii) the sufficiency of the CAP Group's assets to fulfil CAP's payment obligations under the Proposed Bank Loan Agreement; and (iv) the internal control of the Group on monitoring the risks associating with the Proposed Bank Loan Agreement, we are of the view that the terms of the Proposed Guarantee Agreement and the provision of the Proposed Guarantee are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned, and thus the provision of the Proposed Guarantee pursuant to the Proposed Guarantee Agreement is in the interest of the Company and the Shareholders as a whole.

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4. The Revolving Loan Facility Agreement

The table below summarises the major terms of the Revolving Loan Facility Agreement, details of which are set out under the sections headed “GRANT OF REVOLVING LOAN FACILITY” of the Board Letter:

Date:	3 May 2022
Parties:	(1) CAP as the borrower; (2) Double Leads as the lender; and (3) Winning Rich as the lender
Available amount and commitment composition:	HK\$576 million, of which HK\$70 million and HK\$506 million will be provided by Double Leads and Winning Rich, respectively
Term:	Five (5) years
Purpose:	Refinancing the outstanding indebtedness of CAP owed to Double Leads and Winning Rich under the Existing Loan Agreement
Interest:	10% per annum on the outstanding indebtedness and payable on a semi-annual basis commencing from the date of the Revolving Loan Facility Agreement or on such other date as agreed by CAP, Double Leads and Winning Rich
Repayment:	The full principal amount and all outstanding interest thereon (if any) shall be repaid not later than the repayment date being 2 May 2027. CAP may repay any part of the loan which is a multiple of HK\$500,000 at any time on any Business Day without penalty either in one lump sum or by instalments (each being not less than HK\$500,000) with a three-day prior notice
Conditions precedent:	The grant of the Revolving Loan Facility is conditional upon (i) the WYT Independent Shareholders having passed the ordinary resolution(s) at a general meeting of WYT to approve the grant of the Revolving Loan Facility by Winning Rich; and (ii) the Independent Shareholders having passed the ordinary resolution(s) at a general meeting of the Company to approve the grant of the Revolving Loan Facility

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- Re-borrowing: CAP may during the term re-borrow in whole or in part of the amount that has been repaid in accordance with the terms and conditions of the Revolving Loan Facility Agreement provided that, among others, the amount re-borrowed does not exceed the available amount of HK\$576 million and in compliance with the commitment composition. For avoidance of doubt, the maximum outstanding amount of the Revolving Loan Facility will be capped at HK\$576 million at all times
- Assignment and transfer: Double Leads and Winning Rich may respectively assign any or all of their rights or transfer by novation any or all of their rights and obligations (whether in full or a part thereof, and whether in one time or through several times) under the Revolving Loan Facility Agreement to another subsidiary or subsidiaries of WOG or WYT (where applicable). The consent of CAP is not required for such assignment or transfer

Analysis on the Revolving Loan Facility Agreement

In assessing the fairness and reasonableness of the terms of the Revolving Loan Facility Agreement, in view that the Revolving Loan Facility is provided by Double Leads and Winning Rich to CAP, we therefore have reviewed similar transactions involving the provision/receipt of loan or financial assistance to/from a connected person with a fixed interest rate announced by companies listed in Hong Kong during the period from 1 January 2022 to and up to the date of the Announcement (the “**Review Period**”), being approximately a four-month period prior to the date of the Revolving Loan Facility Agreement, which was considered to be sufficient for the purpose of our analysis set out below as we are of the view that the selected transactions to be representative of similar historical transactions. On a best effort basis and to the best of our knowledge, 19 transactions (the “**Market Comparables**”) which meet the aforementioned criteria have been found and they are exhaustive.

The Independent Shareholders should note that (i) the businesses, operations and prospects of CAP and the Company may not be exactly the same as the Market Comparables; and (ii) the credit risk of the underlying borrowers of the Market Comparables might not be same as that of CAP. Notwithstanding the above, we consider that our assessment on the Market Comparables serves a general reference to the recent market practice in respect of the transactions with connected persons regarding provision and/or receipt of loan or financial assistance under the current market condition and sentiment so as to assess the fairness and reasonableness of the Revolving Loan Facility. Set out below are the details of the Market Comparables:

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No.	Announcement Date	Company name (stock code)	Size of loan (HK\$' million) (Note 1)	Annual interest rate (%)	Term to maturity (months)	Collateral/ Guarantee
1	4-Jan-22	Hysan Development Company Limited (14)	Approximately HK\$2,196 million (RMB1,800 million)	6%	6 months	Yes
2	20-Jan-22	Gemdale Properties and Investment Corporation Limited (535)	Approximately HK\$1,444.6 million (RMB1,234.7 million)	4.75%	36 months	No
3	27-Jan-22	Silk Road Logistics Holdings Limited (988)	HK\$10.0 million	10%	24 months	Yes
4	31-Jan-22	51 CREDIT CARD INC. (2051)	Approximately HK\$58.5 million (RMB50 million)	5.80%	36 months	No
5	8-Feb-22	Kintor Pharmaceutical Limited (9939)	HK\$116.9 million	4.27%	4 months (Note 2)	No
6	11-Feb-22	China Star Entertainment Limited (326)	HK\$500.0 million	5%	69 months	Yes
7	3-Mar-22	Huobi Solutions Limited (1611)	HK\$40.0 million	15%	18 months (Note 3)	No
8	6-Mar-22	JW (Cayman) Therapeutics Co. Ltd (2126)	HK\$43.0 million	3.60%	12 months	Yes
9	31-Mar-22	Yida China Holdings Limited (3639)	Approximately HK\$294.3 million (RMB251.56 million)	6%	25 months	Yes
10	4-Apr-22	Grandshores Technology Group Limited (1647)	HK\$5.8 million	8%	6 months	No
11	4-Apr-22	Glory Mark Hi-Tech (Holdings) Limited (8159)	HK\$60.0 million	2%	12 months	Yes
12	4-Apr-22	Glory Mark Hi-Tech (Holdings) Limited (8159)	HK\$18.0 million	2%	12 months	Yes
13	6-Apr-22	Asian Citrus Holdings Limited (73)	Approximately HK\$8.2 million (RMB7 million)	6%	12 months	Yes
14	22-Apr-22	Metropolis Capital Holdings Limited (8621)	Approximately HK\$2.9 million (RMB2.35 million)	12%	12 months	No
15	22-Apr-22	China Pipe Group Limited (380)	HK\$78.5 million (US\$10 million)	5.50%	36 months	Yes

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No.	Announcement Date	Company name (stock code)	Size of loan (HK\$' million) (Note 1)	Annual interest rate (%)	Term to maturity (months)	Collateral/ Guarantee
16	28-Apr-22	China Suntien Green Energy Corporation Limited (956)	Approximately HK\$3,510.0 million (RMB3 billion)	3.65%	36 months	No
17	28-Apr-22	51 CREDIT CARD INC. (2051)	Approximately HK\$9.4 million (RMB8 million)	5.80%	36 months	No
18	28-Apr-22	Smart-Core Holdings Limited (2166)	Approximately HK\$27.23 million (US\$3.5 million)	8%	12 months	Yes
19	3-May-22	Shi Shi Services Limited (8181)	HK\$321.0 million	10%	12 months	Yes
Market Comparables:						
		Maximum	HK\$3,510.0 million	15%	69 months	
		Minimum	HK\$2.9 million	2%	4 months	
Unsecured Interest Comparables:						
		Maximum	HK\$3,510.0 million	15.0%	36 months	
		Minimum	HK\$2.9 million	3.7%	4 months	
		Revolving Loan Facility	HK\$576 million	10.0%	60 months (or 5 years)	

Source: website of the Stock Exchange

Notes:

- For the purpose of illustration only, amounts denominated in RMB have been translated into HK dollar at the rate of RMB1 = HK\$1.17; amounts denominated in USD have been translated into HKD at the rate of USD1 = HK\$7.78.
- The term of Kintor Pharmaceutical Limited (stock code: 9939) comparable transaction is from 8 February 2022 to 30 June 2022, equivalent to approximately 4 months.
- The term of Huobi Solutions Limited (stock code: 1611) comparable transaction is 540 days, equivalent to 18 months.

4.1 Size and interest rate of the Revolving Loan Facility

As illustrated by the above table, the loan size of the Market Comparables ranges from approximately HK\$2.9 million to approximately HK\$3,510.0 million. We noted the loan size of up to HK\$576.0 million under the Revolving Loan Facility Agreement falls within the range of the loan size of the Market Comparables. In addition, it is noted that the purpose of the Revolving Loan Facility is to refinance the outstanding indebtedness of CAP owed to Double Leads and Winning Rich under the Existing Loan Agreement of approximately HK\$576.0 million as at the Latest Practicable Date, being equivalent to principal amount of the Revolving Loan Facility.

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In addition, the interest rate of all the Market Comparables ranges from 2.0% to 15.0%, with an average of approximately 6.5%, and the interest rate of 10% under the Revolving Loan Facility Agreement is higher than the average but falls within the range of the interest rate of the Market Comparables. As the Revolving Loan Facility Agreement is unsecured, we also compared the interest rate of 10% under the Revolving Loan Facility Agreement with the interest rate of the eight unsecured Market Comparables (the “**Unsecured Interest Comparables**”) ranging from 3.7% to 15.0% with an average of approximately 7.4%, and noted the interest rate of the Revolving Loan Facility is within the range of the Unsecured Interest Comparables.

Given the aforesaid, we consider the size and interest rate of the Revolving Loan Facility are justifiable.

4.2 Term to maturity

As illustrated by the above table, the term of maturity of the Market Comparables ranges from approximately 4 months to 69 months. The duration of the Revolving Loan Facility Agreement of five years is in line with the aforesaid range of Market Comparables. As such, we consider the term of maturity of the Revolving Loan Facility Agreement being fair and reasonable.

4.3 Collateral/Guarantee

We understood the Revolving Loan Facility to CAP is unsecured, and thereby made reference to the Market Comparables regarding whether this arrangement is in the market norm. As illustrated by the above table, eight out of nineteen Market Comparables were not secured by collateral or guarantee. As such, we consider it is not uncommon in the market for provision of a loan to a connected person by the listed companies in Hong Kong without collateral or guarantee. Meanwhile, we also discussed with the Management to understand the historical repayment performance of CAP on the Existing Loan. We were advised that CAP has no default history and hasn't ever failed to repay loan interest for the Existing Loan since the grant of the Existing Loan in September 2019. As further referred to our analysis on the sufficiency of the CAP Group's assets as mentioned above in this letter, we concur with the Management's view that the default risk of CAP under the Revolving Loan Facility Agreement will be relatively low.

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Our view

Having considered (i) the reasons for and benefits of the provision of the Revolving Loan Facility as set out above; (ii) the higher interest rate under the Revolving Loan Facility in comparison to deposit interest rates and the Group's interest cost; (iii) more stable return attributable to the Shareholders by the provision of the Revolving Loan Facility compared to bond and stocks investments; (iv) the sufficiency of net assets of the CAP Group; (v) good historical credibility of CAP; and (vi) the interest rate under the Revolving Loan Facility Agreement is within the range of each of the Market Comparables and the Unsecured Interest Comparables, we are of the view that the terms of the Revolving Loan Facility Agreement and the transactions contemplated thereunder are on normal commercial terms and fair and reasonable so far as the Company and the Shareholders are concerned and thus the grant of the Revolving Loan Facility pursuant to the Revolving Loan Facility Agreement is in the interests of the Company and the Shareholders as a whole.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we consider that (i) the provision of the Proposed Guarantee and the entering into the Proposed Guarantee Agreement, though not in the ordinary and usual course of business of the Company, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the grant of the Revolving Loan Facility and the entering into the Revolving Loan Facility Agreement are in the ordinary and usual course of business of the Company and on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and thus the provision of the Proposed Guarantee and the grant of the Revolving Loan Facility pursuant to the Proposed Guarantee Agreement and the Revolving Loan Facility Agreement, respectively, are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the SGM to approve, among other things, the Proposed Guarantee Agreement, the Revolving Loan Facility Agreement and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Merdeka Corporate Finance Limited
So King Wei Wallace
Director

Mr. So King Wei Wallace is a Responsible Officer of Merdeka Corporate Finance Limited under the SFO to engage in Type 6 (advising on corporate finance) regulated activity and has over 10 years of experience in corporate finance.

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

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company and/or any of their respective associates 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), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the Model Code under the Listing Rules, were as follows:

Long positions in the Shares:

Name of Director	Number of Shares held, capacity and nature of interest				Total	Approximate percentage of the Company's total issued share capital (Note a) %
	Personal interest	Family interest	Corporate interest	Other interest		
Mr. Tang	28,026,339	28,026,300 (Note b)	2,734,664,306 (Note c)	4,989,928,827 (Note d)	7,780,645,772	48.69
Ms. Yau Yuk Yin ("Ms. Yau")	28,026,300	2,762,690,645 (Note e)	—	4,989,928,827 (Note f)	7,780,645,772	48.69

Notes:

- (a) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.
- (b) Mr. Tang was taken to be interested in those Shares in which his spouse, Ms. Yau, was interested.
- (c) 486,915,306 Shares were held by Caister Limited (a company wholly-owned by Mr. Tang), 531,000,000 Shares were held by Billion Trader Limited (a direct wholly-owned subsidiary of Loyal Fame International Limited (“**Loyal Fame**”), which is a direct wholly-owned subsidiary of Easy One Financial Group Limited (“**Easy One**”), which is directly wholly-owned by Caister Limited, which is in turn wholly-owned by Mr. Tang), and 432,475,200 and 1,284,273,800 Shares were held by Suntech Investments Limited (“**Suntech Investments**”) and Hearty Limited respectively (both being direct wholly-owned subsidiaries of Total Smart Investments Limited (“**Total Smart**”), which is directly wholly-owned by WYT, which is owned as to 65.79% by Rich Time Strategy Limited (“**Rich Time**”), which is in turn wholly-owned by Wang On Enterprises (BVI) Limited (“**WOE**”), a direct wholly-owned subsidiary of the Company).
- (d) 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.
- (e) Ms. Yau was taken to be interested in those Shares in which her spouse, Mr. Tang, was interested.
- (f) Ms. Yau was taken to be interested in those Shares by virtue of being a beneficiary of Tang’s Family Trust.

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

Name of Director	Name of associated corporation	Nature of interest	Approximate percentage of associated corporation's Total number of shares involved	total issued share capital % (Note a)
Mr. Tang	CAP	Interest of controlled corporation	7,320,095,747 (Note b)	73.54
Ms. Yau	WYT	Interest of controlled corporation	810,322,940 (Note c)	65.79
	WOP	Interest of controlled corporation	11,400,000,000 (Note d)	75.00

Notes:

- (a) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.
- (b) Pursuant to the disclosure of interests form published on the website of the Stock Exchange, of the 7,320,095,747 shares of CAP, 2,007,700,062 shares were held by Onger Investments Limited (“**Onger Investments**”) and 5,312,395,685 shares were held by Goal Success Investments Limited (“**Goal Success**”). Onger Investments is directly wholly-owned by Loyal Fame, a direct wholly-owned subsidiary of Easy One, which is directly wholly-owned by Caister Limited, which is in turn wholly-owned by Mr. Tang. Goal Success is directly wholly-owned by Biomore Investments Limited, a direct wholly-owned subsidiary of Total Smart, which is directly wholly-owned by WYT. WYT is owned as to 65.79% by Rich Time which is wholly-owned by WOE, an indirect wholly-owned subsidiary of the Company which is owned as to 48.69% by Mr. Tang, together with his associates.
- (c) 810,322,940 shares of WYT were held by Rich Time, which is wholly-owned by WOE, a wholly-owned subsidiary of the Company.
- (d) 11,400,000,000 shares of WOP were held by Earnest Spot Limited, a direct wholly-owned subsidiary of WOE.

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

Save as disclosed in this Appendix, 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 (Note a)	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital (Note d) %
Accord Power Limited ("Accord Power") (Notes b & g)	Beneficial owner — Tang's Family Trust	4,989,928,827	31.23
Pioneer Season Limited (Notes b & g)	Interest of controlled corporation	4,989,928,827	31.23
Alpadis Trust (HK) Limited (Notes b & c)	Interest of controlled corporation — Trustee	4,989,928,827	31.23
Alpadis Group Holding AG (Notes c & e)	Interest of controlled corporation	4,989,928,827	31.23
ESSEIVA, Alain (Note e)	Interest of controlled corporation	4,989,928,827	31.23
HEER, Dominik Philipp (Note e)	Interest of controlled corporation	4,989,928,827	31.23
HEER, Krinya (Note e)	Family Interest	4,989,928,827	31.23
Hearty Limited (Note f)	Beneficial owner	1,284,273,800	8.04
Total Smart (Note f)	Interest of controlled corporation	1,716,749,000	10.74
WYT (Notes f & g)	Interest of controlled corporation	1,716,749,000	10.74

Notes:

- (a) For details of Mr. Tang and Ms. Yau's interests, please refer to the section headed "Disclosure of Interests — Interests of Directors" in this appendix.
- (b) Accord Power is wholly-owned by Pioneer Season Limited, which is in turn wholly-owned by Alpadis Trust (HK) Limited in its capacity as the trustee of Tang's Family Trust. Accordingly, each of Alpadis Trust (HK) Limited and Pioneer Season Limited was taken to be interested in those Shares held by Accord Power. Such Shares held by Accord Power are the same Shares as disclosed under other interest of Mr. Tang and Ms. Yau in paragraph 2(a) above in this appendix.
- (c) Alpadis Trust (HK) Limited is the trustee of Tang's Family Trust. Alpadis Trust (HK) Limited is owned as to 20% by each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd., AGH Capital Ltd. and Alpadis Group Holding AG. Each of Eastwest Trading Ltd., Raysor Limited, AGH Invest Ltd. and AGH Capital Ltd. is in turn wholly-owned by Alpadis Group Holding AG. Therefore, Alpadis Group Holding AG is deemed to be interested in those Shares in which Alpadis Trust (HK) Limited was interested.
- (d) The percentages were disclosed pursuant to the relevant disclosure forms filed under the SFO as at the Latest Practicable Date.
- (e) Alpadis Group Holding AG is held by ESSEIVA, Alain as to 53.34% and HEER, Dominik Philipp as to 40.60%. Accordingly, ESSEIVA, Alain and HEER, Dominik Philipp were taken to be interested in those Shares in which Alpadis Group Holding AG was interested. HEER, Krinya is the spouse of HEER, Dominik Philipp and was therefore taken to be interested in those Shares in which HEER, Dominik Philipp was interested.
- (f) Hearty Limited is wholly-owned by Total Smart, which is in turn wholly-owned by WYT. Accordingly, Total Smart was taken to be interested in those Shares held by Hearty Limited and WYT was taken to be interested in those Shares held Total Smart. As disclosed above, Total Smart was also taken to be interested in 432,475,200 Shares held by Suntech Investments, a wholly-owned subsidiary of Total Smart. Therefore, the aggregate number of Shares that Total Smart was taken to be interested in was 1,716,749,000 Shares.
- (g) Mr. Tang is the chairman and an executive director of WYT, and a director of each of Accord Power and Pioneer Season Limited.

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

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

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

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

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 March 2021, being the date on which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

5. DIRECTORS' SERVICE CONTRACTS

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

6. MATERIAL ADVERSE CHANGE

While the Company's financial results for the year ended 31 March 2022 have not been finalised, the Company believes that the following factors would have negatively affected the Group's performance since 31 March 2021, being (i) an increase in impairment losses for these unrealised bond investment holdings due to unfavourable environment of the high yield bond market in the PRC, (ii) an increase in realised loss resulting from disposals of certain bond investments, and (iii) the lower number of properties being delivered to the purchasers (as 310 out of 326 units of project "maya" and 516 of the 547 units of project "Altissimo" had been sold as of 30 September 2021 and the Group's all other projects in Hong Kong have been either in the pre-development stage or under development). All such factors were disclosed in the interim report of the Company for the six months ended 30 September 2021, and such trends continued in the second half of the financial year ended 31 March 2022.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirmed that there was no material adverse change in the financial or trading position of the Group since 31 March 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

7. EXPERT AND CONSENT

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

Name	Qualification
Merdeka Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the expert referred to above (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 March 2021 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears. The letter of the Independent Financial Advisor is given as of the date of this circular for incorporation herein.

8. GENERAL

- (a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.
- (b) The company secretary of the Company is Mr. Cheung Chin Wa Angus. He is a fellow member of both The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (c) The share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, Level 54, 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.

9. DOCUMENTS ON DISPLAY

Copies of the Revolving Loan Facility Agreement and the Proposed Guarantee Agreement are available for inspection on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.wangon.com from the date of this circular up to and including 22 June 2022.

NOTICE OF THE SGM



WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “SGM”) of Wang On Group Limited (the “Company”) will be held at 19th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong on Wednesday, 22 June 2022 at 4:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

(1) “**THAT:**

- (a) the Proposed Guarantee Agreement (as defined in the circular of the Company dated 7 June 2022 of which this notice forms part (the “Circular”)) (a copy of which has been produced in this meeting and marked “A” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company (the “Director”) be and is hereby authorised to do all such acts and things as the Director in his/her sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Proposed Guarantee Agreement (as defined in the Circular) and the transactions contemplated thereunder.”

(2) “**THAT:**

- (a) the Revolving Loan Facility Agreement (as defined in the Circular) (a copy of which has been produced in this meeting and marked “B” and initialled by the chairman of the meeting for identification purpose) and the transactions contemplated thereunder and the implementation thereof be and are hereby approved, confirmed and ratified; and

NOTICE OF THE SGM

- (b) any Director be and is hereby authorised to do all such acts and things as the Director in his/her sole and absolute discretion deems necessary, desirable or expedient to implement, give effect to and/or complete the Revolving Loan Facility Agreement (as defined in the Circular) and the transactions contemplated thereunder.”

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

Hong Kong, 7 June 2022

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

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

Notes:

1. A form of proxy for use at the SGM is enclosed.
2. The register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022 (both days inclusive) during which period no transfer of share(s) will be effected. In order to determine the eligibility to attend and vote at the SGM or any adjourned meeting thereof (as the case may be), all transfer of share(s), accompanied by the relevant share certificate(s) with the properly completed transfer form(s) either overleaf or separately, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2022.
3. A member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one proxy or, if such member is a holder of more than one share of the Company, more than one proxy to attend and to vote in his stead. A proxy need not be a member of the Company.
4. In order to be valid, a form of proxy, together with any power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 54, 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).
5. Completion and delivery of the form of proxy will not preclude members from attending and voting at the SGM or any adjournment thereof (as the case may be) should they so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

NOTICE OF THE SGM

6. Where there are joint holders of any shares of the Company, any one of such holders may vote at the SGM either personally or by proxy in respect of such shares as if he/she was solely entitled thereto provided that if more than one of such joint holders be present at the SGM whether personally or by proxy, the person whose name stands first on the register of members of the Company in respect of such shares shall be accepted to the exclusion of the votes of the other joint holder.
7. The above resolutions will be voted by way of a poll at the SGM.
8. Taking into account the recent development of the pandemic caused by the coronavirus disease (COVID-19), the Company will implement certain prevention and control measures at the SGM to protect attendants from the risk of infection. In light of the continuing risks posed by the COVID-19 epidemic, the Company recommends Shareholders to appoint the chairman of the SGM as their proxy to vote according to their indicated voting instructions in lieu of attending the SGM in person. Physical attendance by a Shareholder is not necessary for the purpose of exercising voting rights. The Company will closely monitor and ascertain the regulations and measures introduced or to be introduced by the Hong Kong government and/or regulatory authorities, and if necessary, will make further announcements at short notice in case of any update regarding the precautionary measures to be carried out at the SGM. Shareholders should visit the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.wangon.com) for future announcements and updates on the SGM arrangements.

** For identification purpose only*