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



CHINA AGRI-PRODUCTS EXCHANGE LIMITED
中國農產品交易所有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 0149)

JOINT ANNOUNCEMENT

DISCLOSEABLE TRANSACTION

IN RELATION TO DISPOSAL OF EQUITY INTERESTS IN A NON-WHOLLY OWNED SUBSIDIARY

THE CAPITAL REDUCTION AGREEMENT

The WOG Board and the CAP Board jointly announce that on 30 May 2025 (after trading hours), Century Choice entered into the Capital Reduction Agreement with Yulin Investment and the Target Company pursuant to which Century Choice's equity interests in the Target Company shall be reduced from 51% to nil at a total consideration of approximately RMB24.69 million (equivalent to approximately HK\$26.58 million), which shall be satisfied by way of wire transfer by the Target Company to Century Choice out of the Target Company's bank account. Such reduction in equity interests constitutes a disposal by WOG and CAP of their respective indirect equity interests in the Target Company under Chapter 14 of the Listing Rules.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for each of WOG and CAP in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for each of WOG and CAP under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE CAPITAL REDUCTION AGREEMENT

On 30 May 2025 (after trading hours), Century Choice, Yulin Investment and the Target Company entered into the Capital Reduction Agreement, the material terms of which are summarised as follows:

- Date: 30 May 2025 (after trading hours)
- Parties: (i) Century Choice;
(ii) Yulin Investment; and
(iii) Target Company.
- Subject Matter: The amount of Century Choice's equity interests in the Target Company shall be reduced from 51% to nil.
- Consideration: As the Consideration for the reduction of Century Choice's equity interests in the Target Company from 51% to nil, Century Choice shall be entitled to receive approximately RMB24.69 million (equivalent to approximately HK\$26.58 million), which comprises the following components:
- (i) the amount of registered capital contribution previously made by Century Choice in the Target Company totaling approximately RMB17.49 million (equivalent to approximately HK\$18.83 million); and
 - (ii) approximately RMB7.20 million (equivalent to approximately HK\$7.75 million), which referenced Century Choice's share of the Target Company's statutory surplus reserve as at 31 October 2024 after deducting the relevant costs and expenses to be borne by Century Choice for the reduction of its equity interests in the Target Company.

Payment:

The Consideration shall be payable from the Target Company's bank account and paid to Century Choice by way of wire transfer in the following manners:

- (i) approximately RMB7.20 million (equivalent to approximately HK\$7.75 million) shall be paid to Century Choice on the date of the Capital Reduction Agreement; and
- (ii) the balance of the Consideration, amounting to approximately RMB17.49 million (equivalent to approximately HK\$18.83 million) shall be paid to Century Choice as soon as the registration procedures for the Disposal is completed (as evidenced by the date of the certificate issued by the SAMR confirming the completion of registration of the Disposal, or by the date of issuance of the Target Company's new business registration certificate reflecting the completion of registration of the Disposal, whichever is earlier), and the outstanding sums owed by Century Choice's affiliates to the Target Company have been repaid to the Target Company, which amounted to approximately RMB17.09 million (equivalent to approximately HK\$18.40 million) as of the date of this joint announcement.

Basis of the Consideration

The Consideration was negotiated on an arm's length basis among Century Choice, Yulin Investment and the Target Company, taking into account factors including (i) the amount of registered capital contribution previously made by Century Choice to the Target Company; (ii) Century Choice's share of the Target Company's statutory surplus reserve as at 31 October 2024 after deducting the relevant costs and expenses to be borne by Century Choice for the reduction of its equity interests in the Target Company; and (iii) the unaudited net assets attributable to the owners of the Target Company as at 30 April 2025, net of distribution made by the Target Company in May 2025, of approximately HK\$7.76 million.

Completion

The parties to the Capital Reduction Agreement shall proceed with the registration of the Disposal with the relevant governmental departments in the PRC, including the SAMR, as soon as possible following the date of the Capital Reduction Agreement. Completion shall be deemed to have completed following the payment of the balance of the Consideration by the Target Company to Century Choice, which shall be paid as soon as the registration procedures for the Disposal is completed (as evidenced by the date of the certificate issued by the SAMR confirming the completion of registration of the Disposal, or by the date of issuance of the Target Company's new business registration certificate reflecting the completion of registration of the Disposal, whichever is earlier), and the outstanding sums owed by Century Choice's affiliates to the Target Company have been repaid to the Target Company, which amounted to approximately RMB17.09 million (equivalent to approximately HK\$18.40 million) as of the date of this joint announcement.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Century Choice has been collaborating with Yulin Investment and its predecessor since 2006 in the establishment and operation of the Yulin Market. As part of the WOG Group's and the CAP Group's continuous review of their respective asset portfolios, the WOG Board and the CAP Board consider that this is an appropriate time for the WOG Group and the CAP Group to fully realise and unlock the value of their respective investment in the Target Company which will provide liquidity for their respective operational needs and improve their gearing positions.

Having taken into account of the above reasons and benefits for the WOG Group, the WOG Directors are of the view that the Disposal, the terms of the Capital Reduction Agreement and the transactions contemplated thereunder, which have been determined on an arm's length basis, are fair, reasonable, on normal commercial terms and in the best interests of WOG and its shareholders as a whole.

Having taken into account of the above reasons and benefits for the CAP Group, the CAP Directors are of the view that the Disposal, the terms of the Capital Reduction Agreement and the transactions contemplated thereunder, which have been determined on an arm's length basis, are fair, reasonable, on normal commercial terms and in the best interests of CAP and its shareholders as a whole.

FINANCIAL EFFECT OF THE DISPOSAL AND INTENDED USE OF PROCEEDS

Upon Completion, both the WOG Group and the CAP Group are expected to record a gain on Disposal of approximately HK\$7.70 million. Such gain on Disposal is calculated with reference to the expected proceeds in the aggregated amount of approximately HK\$26.58 million comprising (i) the amount of approximately RMB17.49 million (equivalent to approximately HK\$18.83 million) of registered capital contribution previously made by Century Choice and (ii) approximately RMB7.20 million (equivalent to approximately HK\$7.75 million) paid to Century Choice for the capital reduction, and deducting from (i) the unaudited net assets attributable to the owners of the Target Company as at 30 April 2025, net of distribution made by the Target Company in May 2025, of approximately HK\$7.76 million, (ii) release of exchange reserves at group level of approximately HK\$10.80 million as at 30 April 2025 and (iii) relevant expenses of approximately HK\$0.32 million.

The actual gain or loss to be recorded by the WOG Group and the CAP Group is subject to audit and review by the respective auditors of WOG and CAP.

The CAP Group intends to apply the net proceed from the Disposal towards the repayment of its interest-bearing borrowings, general operation and working capital purposes.

Upon completion of the Disposal, the Target Company will cease to be a subsidiary of the WOG Group and the CAP Group, and the financial results of the Target Company will no longer be consolidated into the financial statements of the WOG Group and the CAP Group.

INFORMATION ON THE WOG GROUP, THE CAP GROUP, AND CENTURY CHOICE

The WOG Group

The WOG 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, property development and trading, and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.0%-owned listed subsidiary of WOG; (iii) manufacturing and/or retailing of pharmaceutical and health food products through Wai Yuen Tong Medicine Holdings Limited (Stock Code: 0897), an approximately 72.02%-owned listed subsidiary of WOG; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP, an approximately 57.09%-owned listed subsidiary of WOG.

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.

Century Choice

Century Choice is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CAP. Century Choice is an investment holding company for holding the equity interests in the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a sino-foreign owned enterprise established under the laws of the PRC on 15 December 2006 and is a non-wholly owned subsidiary of CAP. As of the date of this joint announcement, Century Choice and Yulin Investment own 51% and 49% equity interests respectively in the Target Company. The Target Company is principally engaged in property holding and operating the Yulin Market.

Set out below is a summary of the unaudited financial information of the Target Company for the two financial years ended 31 March 2023 and 2024 and the unaudited financial information for the eleven months ended 28 February 2025:

	For the 11 months ended 28 February 2025 HK\$'000	For the year ended 31 March 2024 HK\$'000	For the year ended 31 March 2023 HK\$'000
Net profit before taxation	12,649	16,400	13,330
Net profit after taxation	8,321	15,989	10,133

The unaudited net assets attributable to the owners of the Target Company as at 30 April 2025, net of distribution made by the Target Company in May 2025, was approximately HK\$7.76 million.

INFORMATION ON YULIN INVESTMENT

Yulin Investment is a company incorporated under the laws of the PRC. It is principally engaged in development and operation of agricultural by-products wholesaling marketplace and properties in Yulin City, the PRC. Its ultimate beneficial owner is Yulin SASAC, which indirectly and wholly owns Yulin Investment.

To the best of the knowledge, information and belief of the WOG Directors and the CAP Directors, having made all reasonable enquiries, Yulin Investment and its ultimate beneficial owner, namely Yulin SASAC, are Independent Third Parties.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) for each of WOG and CAP in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction for each of WOG and CAP under the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“CAP”	China Agri-Products Exchange Limited 中國農產品交易有限公司, an exempted company incorporated in Bermuda with limited liability and its shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 0149)
“CAP Board”	the board of the CAP Directors
“CAP Directors”	the directors of CAP
“CAP Group”	CAP and its subsidiaries
“Capital Reduction Agreement”	the agreement dated 30 May 2025 (after trading hours) entered into among Century Choice, Yulin Investment, and the Target Company in relation to the reduction of Century Choice’s equity interests in the Target Company
“Century Choice”	Century Choice Limited 龍群有限公司, a company established in Hong Kong with limited liability and a wholly-owned subsidiary of CAP, and which holds 51% equity interests in the Target Company as at the date of this joint announcement
“Completion”	the completion of the transactions contemplated under the Capital Reduction Agreement

“Consideration”	approximately RMB24.69 million (equivalent to approximately HK\$26.58 million), being the consideration payable to Century Choice for the Disposal
“Disposal”	the disposal of Century Choice’s 51% equity interests in the Target Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) who/which is/are not connected with (within the meaning of the Listing Rules) and is/are independent of the directors, chief executives and substantial shareholders (as defined in the Listing Rules) of the WOG Group and/or the CAP Group or any of their respective associates (within the meaning of the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SAMR”	State Administration for Market Regulation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	玉林宏進農副產品批發市場有限公司 (Yulin Hongjin Agricultural By-products Wholesale Marketplace Limited*), a sino-foreign owned enterprise established under the laws of the PRC and an indirect non-wholly owned subsidiary of CAP as of the date of this joint announcement

“Yulin Investment”	玉林投資集團有限公司 (Yulin Investment Group Co., Ltd.*), a company established under the laws of the PRC which holds 49% equity interests in the Target Company as at the date of this joint announcement
“Yulin Market”	玉林宏進農副產品交易市場 (Yulin Hongjin Agricultural and By-Product Exchange Market*), an agricultural product exchange market in Guangxi Zhuang Autonomous Region, the PRC
Yulin SASAC	玉林市人民政府國有資產監督管理委員會 (Yulin Municipal People’s Government State-owned Assets Supervision and Administration Commission*)
“WOG”	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and its shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
“WOG Board”	the board of the WOG Directors
“WOG Directors”	the directors of WOG
“WOG Group”	WOG and its subsidiaries
“%”	per cent

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

By order of the board of directors of
CHINA AGRI-PRODUCTS EXCHANGE LIMITED
 中國農產品交易有限公司
Leung Sui Wah, Raymond
Executive Director and Chief Executive Officer

Hong Kong, 30 May 2025

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

As at the date of this joint announcement, the CAP Board comprises Mr. Tang Ching Ho, Mr. Leung Sui Wah, Raymond, Mr. Wong Ka Kit and Ms. Luo Xu Ying as executive directors, and Mr. Lau King Lung, Mr. Wong Ping Yuen and Mr. Shang Hai Long as independent non-executive directors.

For the purpose of this joint announcement, unless otherwise specified, the conversion of HK\$ into RMB is based on the approximate exchange rate from HK\$1 to RMB0.92877. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

* For identification purpose only