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WANG ON GROUP LIMITED

(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

DISCLOSEABLE TRANSACTION SALE AND LEASEBACK ARRANGEMENT

SALE AND LEASEBACK ARRANGEMENT

On 19 August 2025 (after trading hours), Luoyang Hongjin (a wholly-owned subsidiary of CAP, which is an approximately 57.09%-owned listed subsidiary of the Company) entered into the Sale and Leaseback Agreement with Jiangsu Financial in respect of the sale and leaseback of the Leased Assets at a sale price of RMB20.0 million (equivalent to approximately of HK\$22.0 million).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Sale and Leaseback Arrangement exceeds 5% but is less than 25% for the Company, the entering into of the Sale and Leaseback Arrangement constitutes a discloseable transaction under Rule 14.07 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Sale and Leaseback Arrangement does not exceed 5% for CAP, the entering into of the Sale and Leaseback Arrangement does not constitute a notifiable transaction for CAP under the Listing Rules.

INTRODUCTION

On 19 August 2025 (after trading hours), Luoyang Hongjin (a wholly-owned subsidiary of CAP, which is an approximately 57.09%-owned listed subsidiary of the Company) entered into the Sale and Leaseback Agreement with Jiangsu Financial in respect of the sale and leaseback of the Leased Assets.

SALE AND LEASEBACK ARRANGEMENT

The principal terms of the Sale and Leaseback Agreement are summarised as follows:

1. Sale and Leaseback Agreement

Date	:	19 August 2025 (after trading hours)
Parties	:	(i) Luoyang Hongjin (as the lessee); and (ii) Jiangsu Financial (as the lessor).
Sale Price and Payment	:	The sale price is RMB20.0 million (equivalent to approximately HK\$22.0 million) which was determined after arm's length negotiations with reference to various factors agreed between the parties including the value of the Leased Assets to Luoyang Hongjin and a loan-to-value ratio which is acceptable to Jiangsu Financial.

The sale price shall be paid by Jiangsu Financial to Luoyang Hongjin on 22 August 2025 (or such later date as the lessee and the lessor may agree in writing) after fulfilling the following conditions:

- (i) the Sale and Leaseback Agreement becomes effective and the registration is completed;
- (ii) the transfer agreement for the transfer of the Leased Assets from Luoyang Hongjin to Jiangsu Financial becomes effective;
- (iii) the corporate guarantee agreement becomes effective;
- (iv) Jiangsu Financial having received the resolutions issued by Luoyang Hongjin consenting to the transaction contemplated under the Sale and Leaseback Agreement;
- (v) Jiangsu Financial having received the resolutions of CAP consenting to provide a guarantee under the Sale and Leaseback Agreement;

- (vi) Jiangsu Financial having received the valuation report of the Leased Assets;
- (vii) Jiangsu Financial having received a payment notice or an authorised payment notice issued by Luoyang Hongjin in respect of the sale price;
- (viii) Jiangsu Financial having received the statement in relation to the status of the Leased Assets;
- (ix) Jiangsu Financial having received the insurance policy of the Leased Assets;
- (x) the Repurchase Agreement becomes effective; and
- (xi) the Share Pledge becomes effective.

Leased Assets : The Leased Assets comprise certain equipment, including high and low voltage transmission equipment, power transformer system equipment and low-temperature large cold storage refrigeration equipment, owned by Luoyang Hongjin.

Based on internal estimation, the unaudited book value of the Leased Assets as at 30 June 2025 was approximately RMB27.9 million (equivalent to approximately HK\$30.6 million).

Lease Term : 30 months, commencing from 22 August 2025.

Total Lease Payment : The total lease payment is approximately RMB22.0 million (equivalent to approximately HK\$24.2 million), including a retention fee of RMB100.0 (equivalent to approximately HK\$109.8), with a fixed interest rate of 7.636% per annum. The interest rate was determined with reference to the loan prime rate for loans with a maturity of over five years as published by the National Interbank Funding Centre in the PRC as at 21 July 2025 plus 4.136 percentage points.

The lease payment and the interest rate shall not be adjusted during the lease term.

Ownership of the Leased Assets : The Leased Assets shall be owned by Jiangsu Financial during the lease term.

Upon expiry of the lease term and subject to receipt of all lease payments and other receivables under the Sale and Leaseback Agreement, Jiangsu Financial shall transfer ownership of the Leased Assets back to Luoyang Hongjin on an “as-is” basis by issuing a confirmation of transfer.

2. Share Pledge

On 19 August 2025 (after trading hours), Fully Wealth, a wholly-owned subsidiary of CAP, entered into the Share Pledge with Jiangsu Financial, pledging a 51% equity interest in Xuzhou Yuanyang as security for the performance of Luoyang Hongjin’s obligations under the Sale and Leaseback Agreement.

3. Repurchase Agreement

On 19 August 2025 (after trading hours), Wuhan Baishazhou Market, a wholly-owned subsidiary of CAP, entered into the Repurchase Agreement with Jiangsu Financial, pursuant to which Wuhan Baishazhou Market shall repurchase the Leased Assets upon the request of Jiangsu Financial if any of the following conditions is triggered during the three-year period commencing from the date of the fulfillment of the last lease payment under the Sale and Leaseback Agreement:

- (i) Luoyang Hongjin fails to settle the lease payments and other payables within 60 days following the due date of such payments;
- (ii) the Leased Assets are damaged or lost irreparably, rendering the Sale and Leaseback Agreement unenforceable;
- (iii) Luoyang Hongjin commits other material breaches under the Sale and Leaseback Agreement, which materially impairs its ability to fulfill the obligations under the Sale and Leaseback Agreement; or
- (iv) Wuhan Baishazhou Market breaches the Repurchase Agreement.

Jiangsu Financial shall issue a notice of repurchase (the “**Notice**”) to Wuhan Baishazhou Market and Wuhan Baishazhou Market shall pay Jiangsu Financial the repurchase amount as stated in the Notice within 10 business days of receipt.

FINANCIAL EFFECTS OF ENTERING INTO OF THE SALE AND LEASEBACK ARRANGEMENT

According to the Hong Kong Financial Reporting Standard 16, the Sale and Leaseback Arrangement will be accounted for as a financing arrangement and will not give rise to any gain or loss to be recorded in the income statement of the Company. Upon expiry of the lease term, the ownership of the Leased Assets can be transferred back to Luoyang Hongjin with the payment of the nominal retention money. Therefore, in substance and in terms of accounting treatment, the Sale and Leaseback Arrangement is in effect largely similar to borrowing a secured loan. There is no transfer of possession to or use of the Leased Assets by Jiangsu Financial under the Sale and Leaseback Arrangement.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE SALE AND LEASEBACK ARRANGEMENT

By entering into of the Sale and Leaseback Arrangement, the Company will be able to manage its working capital more effectively as the sale price will be paid by Jiangsu Financial and cash flow can be managed more efficiently through the subsequent leasing arrangement. The operations of the Company will not be adversely affected as the Leased Assets will be leased back immediately to Luoyang Hongjin.

The Board is of the opinion that the Sale and Leaseback Arrangement (including the sale price, the total lease payments, the Share Pledge and the Repurchase Agreement) is on normal commercial terms, fair and reasonable and in the best interests of the Company and its shareholders as a whole.

INFORMATION OF THE GROUP

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, property development and trading, and asset management in Hong Kong through Wang On Properties Limited (Stock Code: 1243), a 75.00%-owned listed subsidiary of the Company; (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 the Company; and (iv) management and sale of properties in agricultural produce exchange markets in the PRC through CAP (Stock Code: 0149), an approximately 57.09%-owned listed subsidiary of the Company.

INFORMATION ABOUT THE PARTIES TO THE SALE AND LEASEBACK ARRANGEMENT

Luoyang Hongjin

Luoyang Hongjin is a limited liability company established under the laws of the PRC and is principally engaged in the management and operation of the Luoyang Hongjin Agricultural and By-Product Exchange Market (洛陽宏進農副產品交易市場). It is a wholly-owned subsidiary of CAP as at the date of this announcement.

Fully Wealth

Fully Wealth is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CAP, with its principal business as investment holding. It is holding 51% equity interest in Xuzhou Yuanyang as at the date of this announcement.

Wuhan Baishazhou Market

Wuhan Baishazhou Market is a limited liability company established under the laws of the PRC and is principally engaged in the operation of the agricultural produce exchange market. It is a wholly-owned subsidiary of CAP as at the date of this announcement.

Jiangsu Financial

Jiangsu Financial is a company listed on the Shanghai Stock Exchange (Stock Code: 600901) and is principally engaged in the financial leasing business.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Jiangsu Financial and its ultimate beneficial owners are third parties independent from the Company and its connected persons (as defined under the Listing Rules).

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Sale and Leaseback Arrangement exceeds 5% but is less than 25% for the Company, the entering into of the Sale and Leaseback Arrangement constitutes a discloseable transaction under Rule 14.07 of the Listing Rules, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. As the highest applicable percentage ratio in respect of the Sale and Leaseback Arrangement does not exceed 5% for CAP, the entering into of Sale and Leaseback Arrangement does not constitute a notifiable transaction for CAP under the Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“CAP”	China Agri-Products Exchange Limited, 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)
“Company”	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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company

“Fully Wealth”	Fully Wealth Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CAP
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Financial”	Jiangsu Financial Leasing Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600901)
“Leased Assets”	certain equipment including high and low voltage transmission equipment, power transformer system equipment and low-temperature large cold storage refrigeration equipment, which were sold by Luoyang Hongjin to Jiangsu Financial and to be leased back to Luoyang Hongjin pursuant to the Sale and Leaseback Arrangement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Luoyang Hongjin”	Luoyang Hongjin Agricultural and By-Product Exchange Market Limited* (洛陽宏進農副產品批發市場有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of CAP
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase Agreement”	the repurchase contract dated 19 August 2025 (after trading hours) entered into between Wuhan Baishazhou Market and Jiangsu Financial in respect of the repurchase of the Leased Assets by Wuhan Baishazhou Market
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Leaseback Agreement”	the conditional finance lease contract dated 19 August 2025 (after trading hours) entered into between Luoyang Hongjin and Jiangsu Financial in respect of the sale of the Leased Assets by Luoyang Hongjin to Jiangsu Financial and the leaseback of the Leased Assets to Luoyang Hongjin

“Sale and Leaseback Arrangement”	(i) the sale of the Leased Assets by Luoyang Hongjin to Jiangsu Financial and the leaseback of the Leased Assets to Luoyang Hongjin; (ii) the Share Pledge; and (iii) the Repurchase Agreement
“Share Pledge”	the share pledge contract dated 19 August 2025 (after trading hours) entered into between Fully Wealth and Jiangsu Financial in respect of the pledge of a 51% equity interest in Xuzhou Yuanyang by Fully Wealth as security for the performance of Luoyang Hongjin’s obligation under the Sale and Leaseback Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Baishazhou Market”	Wuhan Baishazhou Agricultural and By-Product Exchange Market Limited* (武漢白沙洲農副產品大市場有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of CAP
“Xuzhou Yuanyang”	Xuzhou Yuanyang Trading Development Company Limited* (徐州源洋商貿發展有限公司), a limited liability company established under the laws of the PRC and an indirect non wholly-owned subsidiary of CAP
“%”	per cent

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

Hong Kong, 19 August 2025

As at the date of this announcement, the 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.

For the purpose of this announcement, unless otherwise specified, the conversion of HK\$ into RMB is based on the approximate exchange rate from HK\$1 to RMB0.91079. 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 purposes only